



VIDEOAGE

INTERNATIONAL

www.VideoAge.org


The Economy of U.S. Studio Biz Model is Financial, Art

By Dom Serafini

Naysayers who underestimate the business of traditional television had better research the rich potential of the medium. The only drawback could be that those riches are concentrated among some 100 companies worldwide and, in turn, these companies get most of their content from just seven U.S. studios: CBS, Disney-ABC, NBCUniversal, Paramount, Sony Pictures, 20th Century Fox and Warner Bros.

Before reporting on the comments of U.S. studio executives regarding current and future opportunities, let's analyze the global audiovisual



market and what it represents for the U.S. TV industry.

According to a study by France-based IDATE, the 2013 world TV market will generate a total business of \$323 billion, with 44

(Continued on Page 54)

Everything Is For Sale, But What's Left To Buy?



The reality in a Wall Street-dominated and indomitable world is that mid-size and large entertainment companies can only grow by acquisition. And, in the recent past, this is what has happened at a pace as voracious as Wall Street speculators' appetites. But now that mergers and acquisitions (M&A)

(Continued on Page 52)

Withholding Tax: The hidden costs of int'l content distribution

Page 22

Program prices are steadily stabilizing all over the world

Page 24

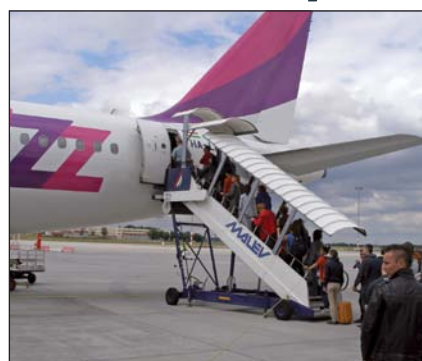
New U.S. TV season with seasoned "reviews"

Page 26

What to expect at MIPCOM that the organizers didn't tell you

Page 42

What Irks TV Execs About the Industry



We all know what we love about this business — that's why we're here in Cannes, right? (And we do all love Cannes, especially at MIPCOM, don't we?!).

So, it takes a particularly brave person to come out and say what he or she doesn't like about this business. *VideoAge* spoke with a few of these courageous folks. Others, possibly because of the large number of dislikes that come up, ultimately "didn't feel comfortable talking" about any of them.

(Continued on Page 50)





DUCK DYNASTY[®]

"...the most popular reality program in cable history."

Wall Street Journal



MIPCOM STAND
G3-18

sales.aenetworks.com

A E
NETWORKS



Cover Stories

Quantity, quality, marketing and star power add to the studios' strength

Everything is for sale, but what's left to buy?

What TV executives don't like about the industry



Territories

32 *Middle East:*
-Crowdfunding and online distribution for Arab filmmakers.
-myTV partners with media gurus

36 *Canada: Begging for production money becomes fun*

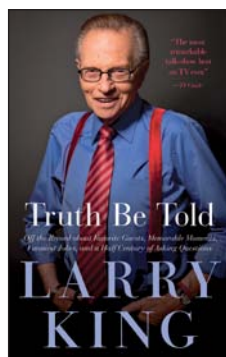
38 *Latin America: Brazil offers a new TV landscape*



My 2ø

Why skip TV commercials when they're more entertaining than the programs?

Page 62



Features

6 *World: U.S., Vietnam, Zimbabwe. Plus, Notable Quotes*

14 *Tech Talk: HDTV, OTT, Sat TV, TV on a cloud, Cost of GHz*

16 *Book Review: Larry King, A Good Listener on TV Talks in Print*

18 *Mart Review: Indies and studios harmonized at NATPE Budapest*

40 *Festivals: Venice Film Fest and Market Report*

42 *TV Biz: MIPCOM Preview*

44 *Movie Biz: AFM Showcase*

46 *Road to NATPE*

48 *Focus on SPORTELMonaco*

60 *Calendar of events with news you can use*

News

22 *Withholding tax represents one of the many hidden costs of international distribution*

24 *Content license fees are finally stabilizing*

26 *New U.S. TV Season:*
-TV Critics Press Tour
-L.A. Screenings Report



MAIN OFFICES

216 EAST 75TH STREET
NEW YORK, NY 10021
TEL: (212) 288-3933
FAX: (212) 288-3424
WWW.VIDEOAGE.ORG
WWW.VIDEOAGELATINO.COM
WWW.VIDEOAGE.IT

P.O. BOX 25282
LOS ANGELES, CA 90025

VIALE ABRUZZI 30
20123 MILAN, ITALY

YUKARI MEDIA
YMI BLDG. 3-3-4, UCHIHIRANOMACHI
CHUO-KU, OSAKA JAPAN
TEL: (816) 4790-2222

EDITOR

DOM SERAFINI

ASSISTANT EDITOR

SARA ALESSI

EDITORIAL CONTRIBUTORS

ISME BENNIE (CANADA)
ENZO CHIARULLO (ITALY)
LUCY COHEN BLATTER
CARLOS GUROVICH
LEAH HOCHBAUM ROSNER
BOB JENKINS (U.K.)
AKIKO KOBAYACHI (JAPAN)
DAVID SHORT (AFRICA)
MARIA ZUPPELLO (BRAZIL)

PUBLISHER

MONICA GORGHETTO

BUSINESS OFFICE

LEN FINKEL

LEGAL OFFICE

ROBERT ACKERMANN, STEVE SCHIFFMAN

WEB MANAGER

MIKE FAIVRE

DESIGN/LAYOUT

CARMINE RASPAOLO

ILLUSTRATIONS

BOB SHOCHET

VIDEO AGE INTERNATIONAL
(ISSN 0278-5013 USPS 601-230)
IS PUBLISHED SEVEN TIMES A YEAR:
JANUARY, MARCH/APRIL, MAY, JUNE, JULY,
OCTOBER AND NOVEMBER/DECEMBER,
PLUS DAILIES BY TV TRADE MEDIA, INC.

© TV TRADE MEDIA INC. 2013. THE ENTIRE
CONTENTS OF VIDEO AGE INTERNATIONAL
ARE PROTECTED BY COPYRIGHT IN THE
U.S., U.K., AND ALL COUNTRIES
SIGNATORY TO THE BERNE CONVENTIO
AND THE PAN-AMERICAN CONVENTION.
SEND ADDRESS CHANGES TO
VIDEO AGE INTERNATIONAL,
216 EAST 75TH STREET, SUITE PW,
NEW YORK, NY 10021, U.S.A.

PURSUANT TO THE U.S. COPYRIGHTS
ACT OF 1976, THE RIGHTS OF ALL
CONTENT DONE ON ASSIGNMENT
FOR ALL VIDEOAGE PUBLICATIONS
ARE HELD BY THE PUBLISHER
OF VIDEOAGE, WHICH
COMMISSIONED THEM

See Sean at Home. See Sean at Work. See Sean Run.



SEAN SAVES THE WORLD

NBCUniversal

Retrans...Again

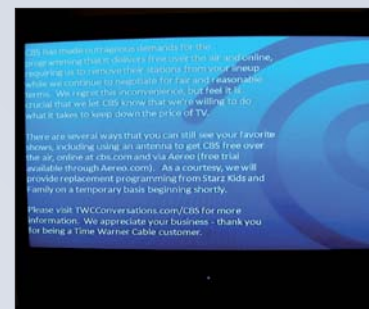
Last summer the battle of the giants was between CBS and Time Warner Cable (not associated with Warner Bros.) over retrans, the fee that cable operators have paid broadcast channels since 1992. The position of broadcasters has been that their channels garner high ratings and yet get lower fees than some cable channels with ratings of less than one percent.

Reportedly, CBS was asking for an increase to \$2 per sub per month from the previous fee of about \$1 (a similar popular channel like ESPN is said to be getting a \$5.54 fee per sub a month).

With negotiations breaking down, on August 2 TWC pulled CBS from 3.2 million subscribers (out of its 24 million) in the New York City, Los Angeles, Dallas and five others areas with a note on the CBS cable dial also stating that it was “providing replacement programming from Starz Kids and Family.” On August 4, CBS counteracted with newspaper ads indicating the programming TWC customers were missing.



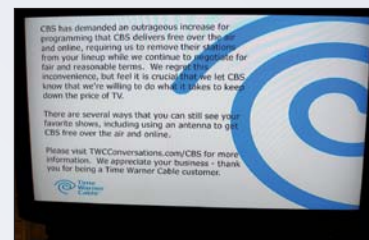
CBS countered with this newspaper ad



TWC flashed this message about pulling CBS in New York City

Those included popular programs like the PGA golf championship, the NFL (American football) season and two soap operas, in addition to *NCIS* and *60 Minutes*. According to some reports, the dispute erupted in August in order to have sufficient time to resolve it before the NFL games started in early September. (Note: The CBS-TWC dispute was resolved on September 2, exactly one month after it started.) TWC also pulled CBS-owned cable network Showtime, home to *Dexter* and *Ray Donovan*, two top series.

The cable industry is up in arms over retrans fee because it tends to increase cable subscription prices, since cable continues to offer bundled packages, instead of a *la carte* selection. In the early days broadcast channels were happy to negotiate carriage for cable channels owned by the broadcasters, but now the focus is in getting cash from the cable operators. Reportedly, by 2015 retrans fees will increase to \$4.3 billion from \$2.4 billion in 2012. Nonetheless, CBS was able to quietly negotiate retrans fee with other cable operators without any issue, while in its negotiations with broadcasters, TWC has had the tendency to block the channels. In addition, it has been pointed out that the argument about broadcast channels being FTA is no longer valid since only about five percent of U.S. TV households now receive FTA via aerials, making them, in effect, subscription channels.



TWC posted this message in Los Angeles



**THE WORLD OF LOST PACKAGES AND THE
MOTLEY CREW THAT TURNS THEM INTO GOLD**

Breakthrough
ENTERTAINMENT

Nat Abraham, President, Distribution
Kate Blank, Director, Int'l Distribution
Jodi Mackie, Int'l Sales Executive

t 416.366.6588 x 114
t 416.366.6588 x 231
t 416.366.6588 x 112

e nabraham@breakthroughentertainment.com
e kblank@breakthroughentertainment.com
e imackie@breakthroughentertainment.com

122 Sherbourne Street Toronto Ontario Canada M5A 2R4 t 416.766.6588 f 416.769.1436 distribution@breakthroughentertainment.com
breakthroughentertainment.com

RTR
MEDIA INC.

Prohibido Amor

FORBIDDEN PASSION



*Every heart has
its dark side...*



sales@comarex.tv www.comarex.tv
(5255) 5251 1410



comarex
Worldwide Media Distribution



RSV25
starzglobal.com



FROM EXECUTIVE PRODUCER
MICHAEL BAY

A STARZ ORIGINAL SERIES

BLACK SAILS

COMING JANUARY 2014



RSV25
starzglobal.com

SEASON I - 8 x 60 Minutes
SEASON II - In Pre-production Now

Private Premiere MIPCOM Screening - Monday, October 7 at 15:00

RISE UP
AND TAKE WHAT'S YOURS

starz
WORLDWIDE

Black Sails ©2014 Starz Entertainment, LLC. All Rights Reserved.



Sony, Viacom To Stream Together

A new move by Viacom seems to indicate that the U.S. is embarking on a new era of TV competition. Viacom — owner of cable channels Nickelodeon, Comedy Central and MTV, among others — has entered into a tentative agreement with Sony, which is working on an as-yet-unnnamed Internet service that would let paying subscribers receive streaming live cable channels. The Sony service could provide another option for the way most people in America get their television service — via cable, satellite provider or in some cases Telcos.

Sony is planning to stream cable channels and on-demand programming over the Internet, posing new competition for cable, satellite and phone companies. The service would be beamed to Sony devices such as PlayStation, as well as the company's Bravia high-definition TVs. Plus, Sony plans to extend it to other Sony devices, including tablets and smartphones. Sony has sold more than 24.4 million PlayStation 3 consoles in the U.S. alone, and many households own other Internet-connected Sony electronics.

The deal is considered a major boost for Sony, and may help the company sign on more major programmers. Sony plans to start selling the service in the fourth quarter of 2013 or early 2014, according to reports.

Big Payday For Big U.S. TV Cos

Despite some definite challenges (including competition from online streaming services and fractured audiences), television companies and TV divisions within large media companies are still seeing profits — especially in comparison to their theatrical counterparts.

In the U.S., TV distributors DirecTV and Time Warner Cable reported second quarter revenue increases despite drops in subscribers. The two rival companies — Time Warner is a cable company and DirecTV a satellite provider — managed to pull this off by focusing on more profitable subscribers: those who stick around longer and pay more for monthly services.

Overall for the quarter, DirecTV posted a profit of \$660 million (which is down from the same time last year, though average revenue per household is up) and Time Warner Cable posted an increased profit of \$481 million for the quarter.

The loss in subscribers for both companies is largely attributed to online streaming services like Netflix, which have caused viewers to become “cord-cutters.”

Media companies Comcast (owner of NBC broadcast network) and CBS Corporation (which owns the CBS broadcast network) had good news to celebrate for the second quarter of 2013, too. Comcast's earning rose to \$1.7 billion (from \$1.35 billion) and CBS Corporation's to \$472 million compared to \$427 million last year.

CBS's strong performance was attributed in part to licensing deals with Internet streaming services like Amazon.

In the third quarter of 2013, the Walt Disney Company saw growth from the company's cable television division (specifically its sports cable network ESPN). Operating income at the Media Networks unit rose eight percent, to \$2.3 billion.

In the second quarter, MGM Holdings, the parent company of Metro-Goldwyn-Mayer, reported a net income



Inter Medya Ltd.

Visit Us At RSV.11

THE AMAZING RACE



© Buena Vista International, Inc. 2013

Disney Media Distribution
Latin America



(Continued from Page 10)

Zimbabwe State TV's "1st" Rival

In July, 1st TV launched in Zimbabwe as an alternative to Zimbabwe Broadcasting Company, the state broadcaster that for 30 years has dominated the country's radio and television industry and has been criticized as being a mouthpiece for President Robert Mugabe's Zanu-PF party.

The new free-to-air satellite network has branded itself as the country's first independent, impartial television station, immediately prompting the country's ruling party to call it a pirate station and threaten to "cripple" it.

The new network, which airs for five hours a day, is being broadcast from neighboring South Africa, as it was unable to obtain a TV license in Zimbabwe.

The station's executive producer says there are 700,000 households in the country with satellite decoders. Funding for the channel comes from private investors and donors, he said.

The July elections — which saw the controversial re-election of Mugabe — provided a catalyst for the station's launch.



of \$35.9 million, down 16 percent from \$42.6 million during the same quarter last year (though the 2012 report included a one-time gain related to the sale of Latin American pay-TV assets to Chellomedia). On the up side, MGM's income increased to \$339 million, up 164 percent. The company recorded a significant rise in its home entertainment business, with revenues of \$179.9 million, up 533 percent.

Vietnam TV Lost In Translation

The Cable and Satellite Broadcasting Association of Asia is concerned over the Vietnamese government's mandate that foreign TV channels pay for simultaneous translation of all programs into Vietnamese.

The mandate caused VSTV, a pay-TV operator owned by France's Canal Plus and Vietnam's national broadcaster, to suspend 21 TV channels, including CNN and BBC.



Notable Quotes

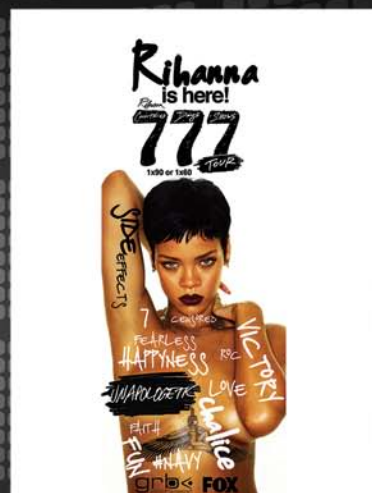
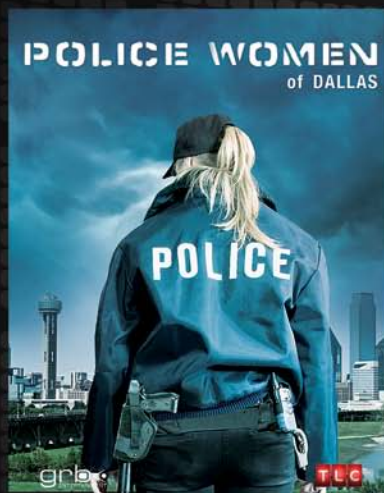
"Now the U.S. Congress wants to get into the act with a bill that is not considered a tax increase, but simply a means of collecting existing state taxes."

VideoAge's March 2012 story on tax downloads

"The Marketplace Fairness Act passed the U.S. Senate in May, with broad bipartisan support and the backing of President Obama. The bill would allow states to force collection, with no need to prove nexus [physical presence]."

Fortune's June 10, 2013 issue on "Amazon's War [on Internet sales taxes]"

GRB has lifestyle.



grb<
ENTERTAINMENT



R35.11

ALEKSEY GUSKOV
STAR OF THE MULTIPLE AWARD-WINNING FILM THE CONCERT

GIORGIO PASOTTI



DE ANGELIS MEDIA AND MULTICOM ENTERTAINMENT GROUP PRESENT

THE SECRET LIFE OF JOHN PAUL II



ALEKSEY GUSKOV, GIORGIO PASOTTI, CLAUDIA PANDOLFI, UGO DI GERIO, GIUSEPPE CEDERNA, MICHELA SAMANTHA CAPITONI, FABIO FULCO, LUIGI DI FIORE, FEDERIGO CECI, FEDERICA MARTINELLI, MATTEO AZCHIRVANI, KATIA RICCIARELLI - DIRECTOR OF PHOTOGRAPHY ALESSANDRO PESCI - EDITOR STEFANO CHERCHIE' - MUSIC BY MAURIZIO DE ANGELIS - WRITTEN BY ELEONORA MARTINELLI AND ANDREA PORPORATI -

BASED ON THE BOOK BY LINO ZANI "THE SECRET LIFE OF JOHN PAUL II"

PRODUCED BY GUIDO, NICOLA AND MARCO DE ANGELIS - DIRECTED BY ANDREA PORPORATI



credits not contractual

AT MIPCOM - BOOTH 18.16



First HDTV, Then 4K and Now 8K

The TV sector was barely accommodating standard HD when 4K, another high-definition TV technology two times the resolution of HD, came into the picture. Content providers aren't even ready for 4K and now 8K, yet one more super-definition technology, has crawled in.

8K TV sets have resolutions in the order of 7,680 x 4,320 pixels, 16 times that of HDTV, but, for now, 8K is like 3D: Just a multifaceted dream.



A Smart OTT

Recently, Turkey's D-Smart began offering OTT services for its two million subscribers for live and VoD programming for TV sets, PCs and tablets since the technology used supports a variety of streaming standards.

By deploying Broadpeak's BkS400 OTT system, D-Smart is able to reduce congestion and provide good video quality.

Getting a Clear Sat TV Picture

Satellite TV interference is a problem that the industry is determined to solve by working on the root causes of common VSAT interference issues.

Meanwhile, working on rules and regulations and technology that can easily identify the interferer and the host without disruptions, the industry is betting on vast improvements.

For example, one solution is found in geolocation technology, which enables operators to locate the source of all types of interferences for international signals.

Broadcasters on a Cloud

Users consume video in a variety of ways, so broadcasters should be able to make their programs accessible on all devices, or as it is described, across multiple platforms (the so-called "TV Anywhere").

For this purpose it is advisable to utilize cloud technology because more than 90 percent of all connected consumer devices have cloud services integrated into them.

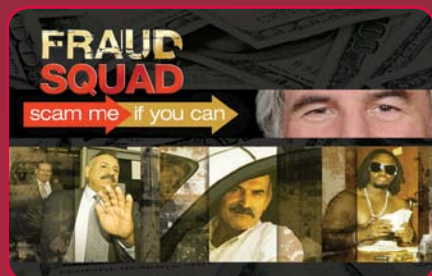
Spectrum Costs

IDA, the authority for communications in Singapore, has sold a total of 270 MHz in the 1.800 MHz-2.5 GHz spectrum for fourth generation (4G) telecommunications services to three operators: M1 Ltd. obtained 80 MHz of spectrum for S\$104 million (U.S.\$82 million); SingTel Mobile Singapore was allocated 100 MHz of spectrum for S\$136 million and StarHub Mobile got 90 MHz of spectrum for S\$120 million.

ALWAYS ready



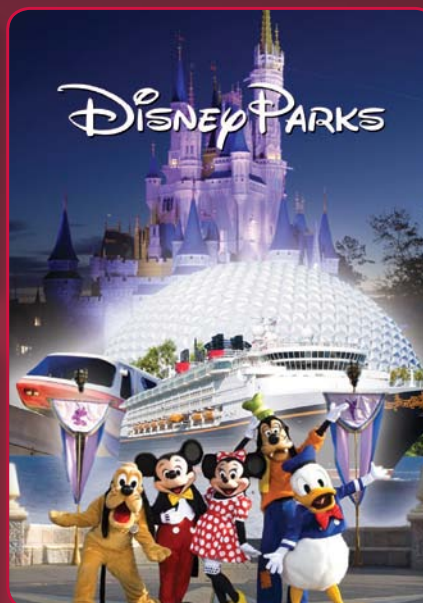
► 13x30 (In Development)



► 13x60 (In Development)



► 50x60, 10x120



► 6x60



► 73x30



► 8 Events

► 11x30

actionlifestyle
reality
entertainmentcrime

MIPCOM 2013

Contact sales@cableready.net to schedule a meeting

Visit cableready.net to see full episodes of our entire program library.

CABLEready

DEVELOPMENT • DISTRIBUTION • REPRESENTATION
+1 203-855-7979 | info@cableready.net

A DRAMATIC EVENT MINI-SERIES ABOUT THE DEADLIEST QUEST FOR RICHES

RICHARD
MADDEN

ABBIE
CORNISH

with

TIM
ROTH

and

SAM
SHEPARD

KLONDIKE

STAKE YOUR CLAIM.



HD Event Mini-Series (2014) • 3 x 120 minutes or 6 x 60 minutes

Visit **eOne** at **RIVIERA BEACH RB.43** • Watch the trailer at **eOnetv.com**

Follow us on Twitter @eOne_TV • tvinfo@entonegroup.com





Larry King: A Good Listener on TV Talks in Print

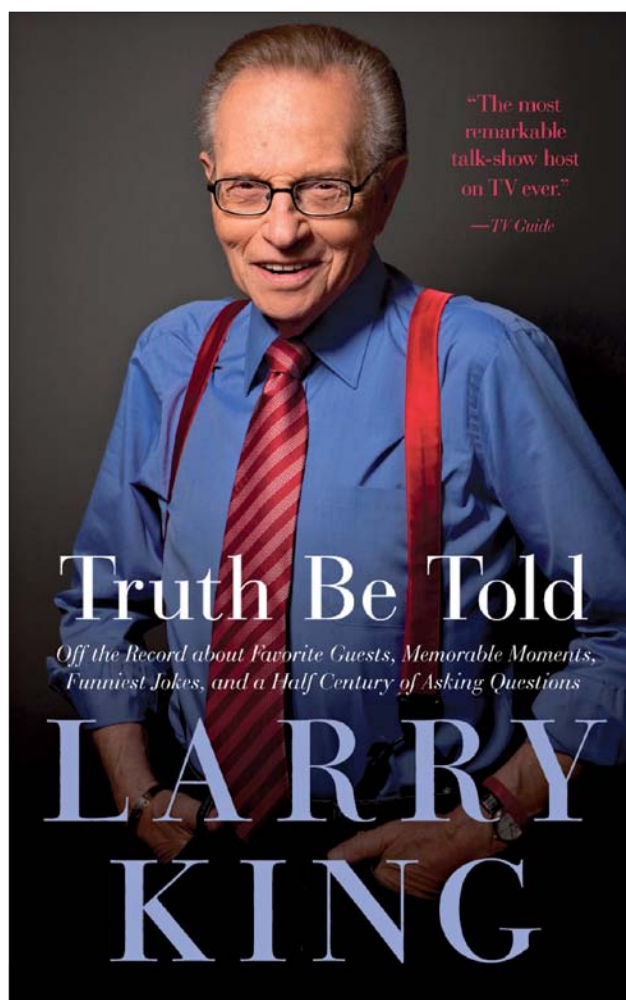
For 25 years, starting in 1985, the man with the glasses and suspenders sitting in front of a backdrop of the world map with a microphone on his desk (it was just a prop, it didn't actually work!) was a fixture on Americans' TV screens.

Each night on CNN's *Larry King Live* — the longest-running show with the same host on the same network in the same timeslot — talk show host Larry King interviewed a famous guest, national or international in scope, covering topics ranging from film to politics to money to medicine and beyond, asking poignant questions of the interviewee and refraining from saying too much himself.

The Brooklyn-born King's career behind the microphone began in 1957 at the age of 24 as a deejay in Miami Beach, Florida. Now that he's left CNN, he's written his own book (actually, his 15th), *Truth Be Told: Off the Record about Favorite Guests, Memorable Moments, Funniest Jokes, and a Half Century of Asking Questions* (Weinstein Books, 225 pages, \$25.00), giving King — who's 79 years old — the chance to do what he didn't for so many years: to have his say and share his stories (and he's got a lot of them). Even the winding subtitle sounds like a trip down memory lane, and that, along with careful insight into the man behind the suspenders, is what the reader is served in King's memoir.

Though he shares the origins of his famous suspenders ("It all started as a simple suggestion from an ex-wife of mine after I lost weight following heart surgery"), if you were hoping to hear about the juicy details of his eight marriages to seven women, or the private lives of those he interviewed over the years, you won't find anything to drool over here. King doesn't explain how or why any of his marriages ended, nor does he share the details that led him and his current wife, 54-year-old Shawn, to file for divorce around the time his show was coming to a close and then reconcile, just as he didn't ask actress Angelina Jolie how she felt about breaking up Brad Pitt and Jennifer Aniston's marriage. King simply feels it's nobody's business. And he's right, though, undoubtedly, it'd make for some great gossip and juicy reading. But as the reader learns, King is unlike other talk show hosts in that he didn't enjoy doing "the tabloid stuff" just to get ratings. In fact, he explains that, "If one of the suits had ever asked me to yell at a guest, I wouldn't do it." For King, regardless of the ratings, the "ideal guest would still be someone interesting who walks over and surprises me," and he saw his job as "the facilitator...To get the guest to open up so he or she can hit a home run."

His guests' respect for him over the years is a testament to King's character. In a letter to King Frank Sinatra wrote: "Unlike so many others — [you] were not there to trap or ensnare me or to sensationalize in any way...Be aware, my friend, you are very rare in your line of work, never asking self serving questions or competing with your guests in any way. And you'll never know



how much that means to all of us who have sat opposite you." This is exactly what King strove for.

Still, the reader is treated to countless stories about big stars and gets the sense that King is just as fascinated by the stories, and in many cases the fact that he even had the opportunity to be in the same room with these folks, much less have them as guests on his cable TV show. The reader has as much fun reading about King's encounters with celebrities and key figures such as Frank Sinatra, Marlon Brando and Vladimir Putin as King did interviewing them, and he shows that ultimately he is just as grateful to have met them as your average Joe would be.

It's obvious that King truly enjoyed what he did because it gave him the opportunity to spend time with people he may otherwise never have met: "The joy of my life is meeting somebody interesting every day." For King, it's all about getting to know and understand people. The reader learns to appreciate King on a human level because his writing and stories make him feel human. He is acutely aware of the opportunities his career brought him throughout his life, and he's thankful for them. For example, he reflects on listening to Paul McCartney play the piano in his living room, saying, "On days like that, I go home and say to myself, *Did that really happen?*"

While showcasing King's knack for telling stories, the book also gives readers insight into his insatiable curiosity, and what ultimately led

him to end his talk show run. King explains his decision to leave the show, saying, "It may have seemed abrupt...But it was a process of evolution on my end." It was time for King to devote the hours he spent on *Larry King Live* to being home with his wife and their two young sons, Cannon and Chance. But even after he decided to leave CNN, King couldn't escape his curious nature, and the questions kept coming to him: He wondered, "What was I going to do with all my questions when I no longer had a show to ask them on?" (Incidentally, he can ask questions again on his new show, *Larry King Now*).

Through his book, King brings the reader inside his experiences with these intriguing people. The reader gets a glimpse into the life of the world's wealthiest man when he writes about being invited by business magnate and multi-billionaire Carlos Slim to speak at a scholarship event in Mexico City. King explains that Slim personally drove him on a tour of the city, and that he is a man who is deeply dedicated to his family, painting a picture of Slim that most readers have never seen before. Later, the reader shares King's frustration when he describes trying to get actress/singer Barbra Streisand to begin a taped interview on time. "She tried on many different dresses, changing over and over for hours, checking how each one looked not only in the mirror, but on camera," and just as they were about to begin the interview, Streisand interrupted to complain about the color of the flowers on the desk. As he said, "She drove me nuts." Another interesting story: When Elton John sang "Candle in the Wind" at Princess Diana's funeral, he was worried that he might accidentally sing the lyrics written for Marilyn Monroe, so he used a teleprompter to remind him.

King's storytelling technique is endearing, and the reader senses his honesty and thoughtfulness. Though at times it feels as though King is name-dropping, he's also giving us insight into the people behind those names. The reader might wish he would offer more details, but maybe that's what his show was for — a chance for the interviewees themselves to give us more, whatever they were comfortable sharing — while the book is a space for King to reflect on his experiences with them, without overstepping his bounds.

Anyone who wants insight into King as a person, as a talk show host and a philanthropist (he established his own Cardiac Foundation to raise money for people who can't afford heart surgery, and often donates his time to charities), should pick up *Truth Be Told*. Through the stories King chooses to share, and even those he doesn't (such as personal details about his relationship with his wives), the reader gets a sense of King's personality, modesty, intelligence and generosity. "I don't offer a point of view. I try not to use the word *I*. And I ask short questions. My motto is: I've never learned anything while I was talking." But this book represents King's turn to "talk," to offer his side of the story, and we're ready to listen. **SA**

BETRAYAL



© ABC Studios

Disney Media Distribution
Latin America

Indies and Studios in CEE Harmony

In Budapest this past June, the Americans seemed to have disappeared from the usual tourist spots. Similarly, the Germans were gone, as were the French, while the city was full of Italians who could be seen at flea markets, bars, restaurants, jogging and going shopping along Vaci Street. They were everywhere, with the exception of the NATPE Budapest market, as if the international TV business does not concern Italy.

In contrast to the empty *utcas* (streets), Americans, Canadians, Brits, French and Germans could be found at the Sofitel, headquarters of NATPE Budapest, along with representatives of 23 other countries.

For the NATPE TV market at the Sofitel — situated on the Pest side of the city, next to one of the bridges over the Danube that connects to Buda — more than 50 rooms (for 46 exhibiting companies) were converted to offices. Plus, the large conference rooms in the basement accommodated more, for a total of 152 exhibitors catering to some 400 buyers. Between those companies that did not return and 37 new ones, the number of exhibitors did not change from the previous year.

On the first market day, the comments heard on the three market floors — the hotel mezzanine and the conference rooms in the hotel basement — were mostly related to slow foot traffic. That was attributed to the fact that, that morning, two studios, CBS Studios International (CBSSI) and Fox, as well as the indie Lionsgate, screened their new season TV fare outside the hotel, drawing an estimated 200 buyers, about half of the contingent. While CBSSI screened in a nearby theater, Lionsgate rented a screening room at the Four Seasons, and Fox used the Café Gerbeaud, as did WB and NBCUniversal the previous day. The exceptions were Disney, which attended with a table, and Sony Pictures, which did not attend the market, but according to NATPE, set up shop at the nearby Intercontinental Hotel.

In order not to siphon away buyers from the market, most of the well-attended screenings took place the day before the market, which this year began Tuesday afternoon rather than Monday. However, the Fox screenings, which extended past 1p.m. on Tuesday, caused some grumbling, tempered by the realization that the studios'



ScreenMedia Ventures' Todd Jackson, Peace Point's Eric Muller, Andrew Schreiber

presence attracted more buyers to the market.

All the exhibitors *VideoAge* visited in the afternoon on opening day indicated that they would have a full schedule the next day, but it would wind down on Thursday. However, some exhibitors, such as Caracol, Televisa and RAI, were busy on opening day too, with some no-show meetings replaced by walk-ins.

But how did the market go for exhibitors as a whole? According to The Fremantle Corporation's Diane Tripp, there were "Lots of opportunities for our scripted family series. This is an underserved genre in a world of reality and lifestyle. Buyers still require wholesome family series...even if they're rerun in the market."

For Peace Point's Andrew Schreiber, "The market went extremely well. As we were introducing an entirely new line of product to these buyers, there was considerable interest and we were able to initiate serious negotiations on a number of packages of films with both pan-regional and national buyers."

Helge Köhnen of Global Screen reported that "The market itself went well, the meetings were valuable and I met many of my important regular clients as well as new promising contacts. However, all clients in general are very careful with spending money, in view of an uncertain financial outlook, so they check very thoroughly which programs they really need."

For Caracol's Roberto Corrente the market "went much better than expected. Tuesday was a little slow, but it was stable and the meetings were very productive." As far as finding new buyers, The Fremantle Corp.'s Tripp noticed "Dedicated VoD channels launching all over Eastern and Central Europe." She added that, "Sadly, buyers have limited budgets and some did not even attend." Similarly, Peace Point's Schreiber found that "the biggest change is the increase in the number of buyers who focus primarily on VoD rights." Global Screen's Köhnen "noted a shrinking attendance from Russia/CIS — I think they prefer to go to Kiev Media Week instead," he commented.

For Tripp, the best response from buyers came from "Poland, Romania, Croatia and Russia." For Schreiber, "[the] strongest [response came] from

the Balkan territories." For Corrente, "Hungary, Poland, Serbia, Croatia, Russia and Albania, among others," and for Köhnen, "Hungary, Czech and Slovak Republics and Poland." He added that, compared to last year, "It seemed that the market was weaker in terms of participants in general. [But] for Global Screen, it was better because the majors' screenings and the market were now separate events — I could meet with everybody I wanted to see."

Among the buyer contingent, one lingering mystery is why so few Polish TV acquisition executives attend NATPE Budapest, while a great deal of support was shown by local Hungarian buyers, who numbered more than 25. Among the first-time buyers was Tamar Zardiashvili of Georgia's TV9, who said she was looking for all kinds of programs because her network was new and in need of lots of content. She was very busy at the market, noting that she "had meetings every 30 minutes all four days...and some business dinners afterwards. I also had business lunches, so I used all of my time. All in all the market was productive." However, she commented that the market set-up on various floors made it difficult for her to walk around the floor and stop by stands that struck her interest, because, for example, "at the lobby they had meeting tables, but since I had no meetings there, I never stopped by to see which companies had stands."

Only six Italian companies were present at NATPE Budapest, and all under the umbrella of ICE Budapest Italian Trade Commission. Latin Americans also had a small presence, with only seven exhibitors. However, the Canadian presence increased (with a total of nine companies), together with a strong showing from the British (20 companies), French (12 companies) and Germans (nine companies). As usual, the U.S. (with 26 companies) dominated the event (sometimes with representatives from their U.K. offices). The weight of the U.S. was also felt through the aforementioned screenings by the studios (and, at the last minute, by Lionsgate) of their new season productions.

The presence of some new countries offered a good indication of new trends in production and sales, although it is difficult to imagine how

(Continued on Page 20)



ITV's Ahmet Ziyalar and Can Okan



Televisa's Claudia Sahab, Hugo Treviño, Beatriz Rodriguez

SNEAK-BITE AT MIPJUNIOR



© 2013 Rainbow S.r.l. All rights reserved.



Rainbow
via Brece 60025 Loreto (AN) Italy • Tel. +39 071 750 67 500
www.rbw.it • luana.perrero@rbw.it

Come and Visit Rainbow
MIPCOM Booth #R33.01

(Continued from Page 18)

content from India, China or Russia could compete, since the audiovisual product from those countries was not highly sought after.

In this regard, it has been suggested that in order not to disappoint the expectations of some exhibiting countries, the organizers themselves should help them select content from their libraries so that they can be better received by the territories they are targeting. For example, Bollywood films are not generally found to be suitable for Central and Eastern European TV markets, though India could be successful selling documentaries. Russia, which has had difficulty selling a show about the life of a famous Polish singer to Poland, could also use guidance. Also, it is hard to justify the presence of six Chinese companies at NATPE Budapest. Turkish productions, on the other hand, continue to be very successful at the international level.

This year, NATPE Budapest experimented with a breakfast session at the Sofitel's nearby Café Gerbeaud (also the venue for some of the U.S. studios' screenings) just a short walk from the market's headquarters.

During a two-hour pre-market program on Tuesday, four panelists and a chatty moderator presented their views on TV industry issues in front of some 100 NATPE participants. Antony Root of HBO Europe documented the success of Central Europe's local original HBO productions. Chello's Peter Radnai



NATPE held its first Breakfast Briefing Session this year, attended by about 100 participants.

explained his company's strategy to get involved with shows with "high PR potentials." FRAPA's chairwoman Patty Geneste illustrated the benefits offered by her protection programs for format shows, after recognizing format veteran Michel Rodrigue as one of FRAPA's founders. Eurodata's Nassina Boudi mentioned that today "there is a global nostalgia for retro" programs, which are becoming increasingly popular with TV audiences, "because the future offers little appeal."

At the opening party, Rod Perth, president of NATPE, stressed that participants fill out a questionnaire to be used as a road map to figure out a better future for NATPE's June CEE show; especially in light of the fact that the Sofitel doesn't offer screening facilities, forcing the studios to go outside the venue. For next year, at least, the city and venue will remain the same.

As for suggestions on how to improve the market, Fremantle Corp.'s Tripp said, "Maybe NATPE should find a venue that can offer more affordable and universal meeting spaces." Global Screen's Köhnen noted, "It has been discussed to move the venue of this market. I believe it would be best to keep it in Budapest."

Caracol's Corrente felt that, "If NATPE Budapest wants to still be relevant in the years to come, it must deal with the fact that the independent sellers, the ones that keep NATPE alive, should be a priority. Instead of having the [U.S.] studio screenings take place before NATPE, they should allow the beginning of the event to be for the independents. This way the independents do not get overlooked. The majors can have their event after." 🇮🇹

ACTION, ROMANCE AND FUN FOR EVERYONE!

The ANIMATION Band
www.theanimationband.com

...visit us also on

mipcom
stand H4.35

From the Creator of "Tiny Angels",
"Rebels' Way", "Flinderella" & "TeenAngels"

ALIADOS

ALLIES



The new hit for the youth!

The program with the most successful activity in Social Networks and on the Web.

A multiplatform-multiscreen content created for:

TV, Tablets, Mobile, Web, and Second Screen interactivities.

360 Business: Licensing, Editorial, Merchandising, Membership Programs, Music, Shows and more!

MIPCOM 2013
Booth RSV 14 – Riviera Sea View
Palais des Festivals



Watch the results

Produced by:



CRIS MORENA
GROUP

Distributed by:



Withholding Tax: The Hidden Costs of Int'l Content Distribution

Here's the story: American companies are subject to U.S. taxation on their worldwide income. The same is true in many other countries. In order to avoid "double taxation" (i.e., being taxed in the U.S. and also in the country in which business is done), countries have negotiated treaties with each other, which reduce and/or eliminate "import" taxes.

The technical term for this levy is "withholding tax," yet, it isn't a sales tax (like VAT in Europe or GST in Canada), since it affects the seller and not the buyer.

Out of 170 countries around the world, 26 don't impose any tax on the import of "royalties." Among the larger countries with zero taxes are Hungary, Sweden and Holland. Countries with the largest taxation are: France (33 percent), Colombia (33 percent), Italy (30 percent) and Brazil (25 percent).

However, for the acquisition of film and TV content, the U.S. has treaties with 43 countries, which reduce the tax, for example, from 33 percent in France, to zero. Another treaty has reduced the tax in Italy from 30 percent to eight percent.

All in all, thanks to treaties, the number of countries that don't tax imported U.S. content increased to 38, while 15 countries have reduced the tax to anywhere from five percent (e.g., Australia, down from 30 percent) to 10 percent (e.g., Canada, down from 25 percent).

With 22 treaties for zero withholding tax, Hungary leads the pack, followed by the U.K. (20) and the Netherlands (19).

Here's how it works, according to Harry C. Vasavada, a media consultant with 25 years of U.S. CFO experience. When, for example, a U.S. distributor licenses a program for \$1,000, let's say to Italy, the buyer only pays \$920 to the seller and \$80 to the Italian government if the seller sends a completed IRS (U.S. tax office) Form 6166 (Certification of U.S. Tax Residency, which is a letter printed on U.S. Department of Treasury stationery), to the buyer, who in turn sends the seller a certificate stating that \$80 was paid to the Italian government on behalf of the seller. For accounting purposes, the seller still records the sale as \$1,000 and claims the \$80 as distribution expenses.

This is because U.S. content distributors can claim from their IRS tax returns the portion not returned as expenditures, considering that it is also a burden to keep track of all the accounting. Not only that: For Americans, the IRS has only one small office in its Philadelphia, PA division to deal with the matter of international withholding taxes. In order for the IRS to release Form 6166 (which can be valid for one to two years) the

seller has to submit another document, called IRS Form 8802.

Forms needed to recover some or all of the tax can at times be used by the buyers to delay payments, which is what happened in one case *VideoAge* reviewed in Poland where before sending payment, the buyer wanted a copy of IRS Form 6166.

For companies in Mexico, Marcel Vinay, Jr., head of Distribution for Comarex, says that buyers, too, send the sellers certificates stating that a certain amount of money was paid to their government as tax on behalf of the sellers. However, the sellers do not recover the withholding tax, but when it is possible they can deduct it from their own income tax statements.

For countries that sell to others without tax treaties, the solution is to find an agent in a country with the largest number of treaties, from which to bill the sale. Naturally, it is also possible that a country with favorable treaties might have a high income tax. In that case the seller normally finds a tax haven (offshore offices) from which the sale transaction originates. For tax and withholding tax purposes, U.S. studios prefer to set up offices in Holland. At one time these offices were just an address, but have now evolved into functional, fully-staffed offices from which most, but not all, international sales are made to originate.

Diane Tripp of Toronto-based The Fremantle Corp. mentioned that Canada's program sales to Japan, for example, are heavily taxed with little recovery. Similarly, a sale from Argentina to the U.S. gets a withholding tax of 31.5 percent by the U.S.



Marcel Vinay, Jr., Comarex's head of Distribution

Thanks to treaties, the number of countries that don't tax imported U.S. content increased to 38, while 15 countries have reduced the tax to anywhere from five percent to 10 percent.

government, while in the U.K. it's only 15 percent.

To reduce the bureaucracy, some big companies with large volumes of sales even set up enterprises in local territories (e.g., Canada in addition to the popular Netherlands) so as to get paid locally. For U.S. companies, selling to American pan-regional international TV outlets also streamlines the process.

An added burden on the shoulder of sellers is when, in addition to the withholding taxes, a country has a "remittance" tax, as is the case with Brazil. While the withholding tax can be fully or partially recovered, the remittance tax is not creditable. Last August, the U.S. resolved a dispute with China over the remittance tax on theatrical movies.

With the China-U.S. treaty negotiated in February 2012, in addition to the 10 percent withholding tax, the Chinese government imposed a non-creditable two percent tax from the U.S. distributors' share of theatrical revenue. With the new understanding, state-owned distributor China Film Group will reimburse the accrued sales tax to the U.S. companies.

In some cases, due to this burden, small distributors leave the recovery process to the producers they represent. An alternative would be using intermediaries, such as the bank-owned, Holland-based Fintage House or its subsidiary Batrax that — with the buyers' blessing and for a fee that depends on the volume involved but could range from 1.5 percent to 2.5 percent — will deal with the withholding tax recovery and sales collection by making the sale originate from countries with the best mutual treaties. 🇮🇹

The Gold Standard of Comedy



Available in Brilliant High Definition

**Carsey-Werner now offers six of our timeless comedies
in vivid high definition:**

Roseanne

That '70s Show

The Cosby Show

3rd Rock From The Sun

A Different World

Grounded For Life

With others to follow.

carsey  werner
TELEVISION

Program Prices Get Off the Rollercoaster

A recent report by U.K.-based Essential Television Statistics, Madigan Cluff and Digital TV Research stated that between 2008 and 2012 the value of sales of scripted series in Europe fell by 16 percent. But whether this is actually bad news for sellers gathering on the Croisette this week depends on where you look and what you're selling.

The past few years have seen content license fees on something of a rollercoaster. But most of the buyers and sellers *VideoAge* spoke with agreed that, for now at least, the ride is over and prices are remaining stable. Of course, as with any rule, there are exceptions.

From London, Don Taffner Jr., chairman of DLT Raydar, recalled that, "five or six years ago in the U.K. there was an explosion in the secondary rights market for top U.S. shows, which probably reached its peak when Comedy Central bought *Friends*, reportedly paying £100,000 (U.S.\$153,000) per episode," but he now believes, "activity has leveled off." This comment was supported by Sasha Breslau, head of Acquired Series at the U.K.'s largest commercial broadcaster, ITV: "there has been no change in our acquisition budget, but still we remain competitive. Of course we can't compete with what Sky will pay," she said. "Our prices are competitive with other U.K. FTA channels."

Taffner added two caveats to the vision of stability, both of which he believes hold true around the world and not just in the U.K. The first caveat is, "the increasing tendency of studios to own outlets, which then of course buy from the studio, and act as a drag on the upward movement of prices." But, on a more positive note Taffner also said that, "the prices for major live events, especially major sports events, have gone through the roof." Although he added, "in many ways this is just a reflection of a trend that has been well established for at least 15 years, which has seen the cost of 'must have' content go up and up, while prices for everything else have either stagnated or fallen."

Pedro Lascrain, who buys programs for TV Azteca in Mexico, sees program costs continue on their upward track. "Prices are always going up regardless of a recession or a devaluation in our



Pedro Lascrain, a buyer for TV Azteca in Mexico



Jorg Graf, RTL's head of Acquisitions and Sales

country. The average is about five percent every year on almost every product we buy from the U.S. In other countries, since we do not need to buy many programs, it is more likely to negotiate a better price," he said.

A buyer from Brazil, who asked to remain anonymous, said he hasn't seen the price for U.S. programs increase much over the last five years, "maybe five-to-ten percent." He added that primetime versus non-primetime prices don't vary much and that sitcoms and dramas are still a much more affordable option to theatrical films.

Paul Heaney, managing director of London-based TCB Media Rights, pointed out that the proliferation of outlets DLT Raydar's Taffner referred to, "makes the managing of rights crucially important." He added, "broadcasters are much more willing now to be realistic about exclusivity, so it is possible to make much more now from a market than was the case a few years ago, but you have to stay on top of platform launches and manage the rights forensically or you can lose out by as much as 20 percent."

Generally though, Heaney concurred with Taffner that, "prices are holding up," though he cautioned, "Australia, while still a market that pays good money, is ruthless and genres fall out of favor very quickly — so you really do have to stay on top of that market, and factual prices in Germany are probably falling. Certainly the days of 120,000 euro (U.S.\$159,000) an hour are over." However, he added, "this is probably as much a reflection of the factual market, where most series these days are a lot smaller in scope than was the case a few years ago."

Jorg Graf, RTL's head of Acquisitions and Sales, echoed this sentiment, saying, "prices reflect both the economic situation of the country concerned — for example, prices in Spain have fallen significantly — and the performance of the product in individual markets, which can cause the price per hour to be adjusted both up and down. In Germany the market is stable, but recently the product has not always been suitable for targeting broad European audiences."

More positively, Heaney noted that, "Russia, China and India are all paying more than they used to. They have all been good markets for a few years now, but that has been mostly about volume, now prices per hour are starting to rise as well."

In a reversal of this effect, Emma Simpkins,

director of Sales at British factual specialist Passion, described Italy as a market where, "the increase in competition resulting from the arrival of new broadcasters has not had a significant upward effect on prices per hour, but it has led to an increase in the volume of deals it is possible to do." While Simpkins also agreed that, "as a broad generalization, prices are pretty stable," she did note some exceptions, pointing to, "some of the Mediterranean countries where business has fallen off, although this has been more about fewer and smaller sales rather than lower prices per hour."

On a more positive note, Simpkins said, "OTT services have had a dramatic impact in Canada and the Nordic countries. Many — Netflix in particular — have moved away from their initial revenue sharing model and have been pricing very aggressively. This has meant that traditional broadcasters have either had to compete or decide to walk away from programming they would otherwise have bought. They can only lose out so many times before they will have to start to compete."

Simpkins admitted that, "so far this effect has only been apparent in scripted, especially comedy, but we are confident it will soon be seen in lifestyle as well."

Liza Thompson, SVP of International Sales at All3Media, echoed a comment made by DLT Raydar's Taffner as to the imbalance between "must have" content and everything else, noting: "in factual, prices are pretty stable, though a key audience driver can command a premium." Territorially she sees Scandinavia as "really quite a competitive market across the board where strong concept factual programming and drama are achieving price increases and, often, early offers as a result of this competition."

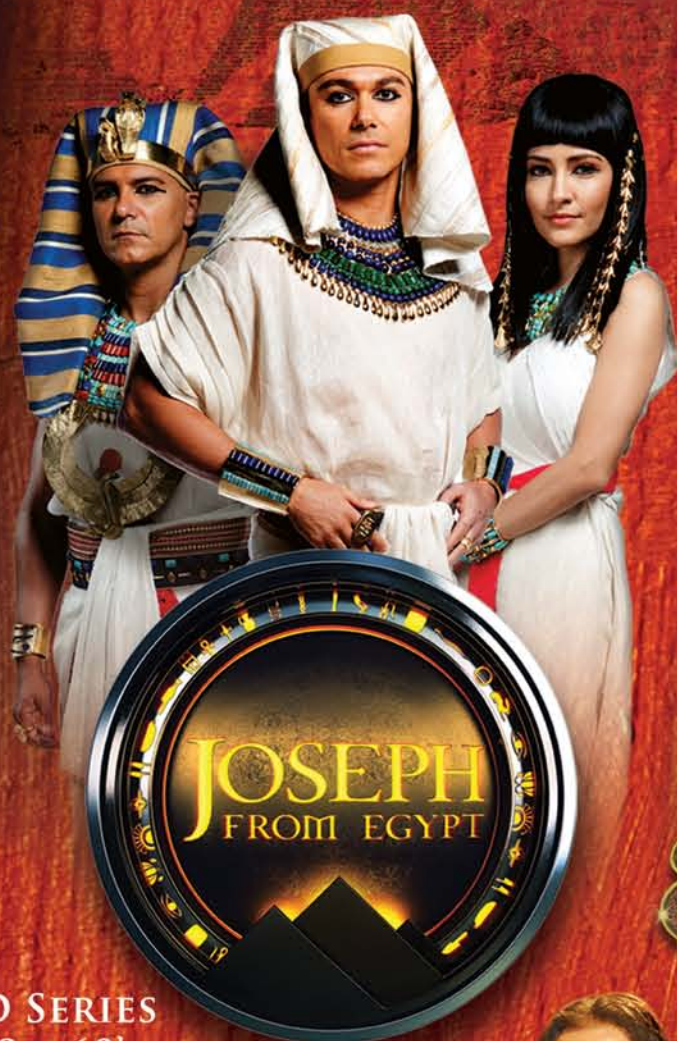
In drama, however, Thompson noted that, "a lot of the bigger players like older skewing series with the 'favorite/classic' tag — which means there are fewer opportunities for younger skewing dramas unless they fall into a niche category such as sci-fi."

Over in the Great White North, recent figures supplied by the Canadian Radio Telecommunications Commission showed that private conventional television stations saw their revenues severely eroded in 2012 due to increased expenses and a decline in national advertising.

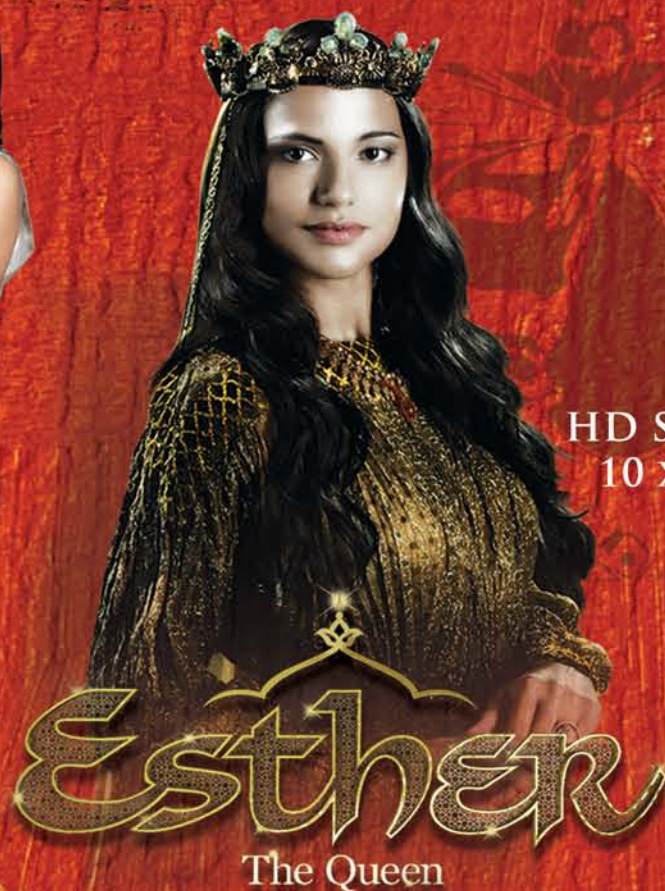
Profits before interest and taxes (PBIT) declined from C\$151.6 million to C\$22.9 million, and the PBIT margin decreased from 7.1 percent to 1.1 percent.

The industry players don't discuss pricing, but given this economic downturn, the major Canadian broadcasters would have gone to the L.A. Screenings with a cautious approach to spending for the 2013 season, likely wanting to keep pricing flat. Nevertheless, acquiring U.S. network drama series, particularly those that can be simulcast, is a major priority. There are several buying scenarios: renewals, run-of-the-mill drama, and hot properties, each carrying a price tag. The actual price is obscured by several factors: the drama series being bought as part of a larger acquisition package that includes reality or cable properties and add-ons, such as VoD and streaming rights, to help maximize the value of the acquisitions. 🇩🇪

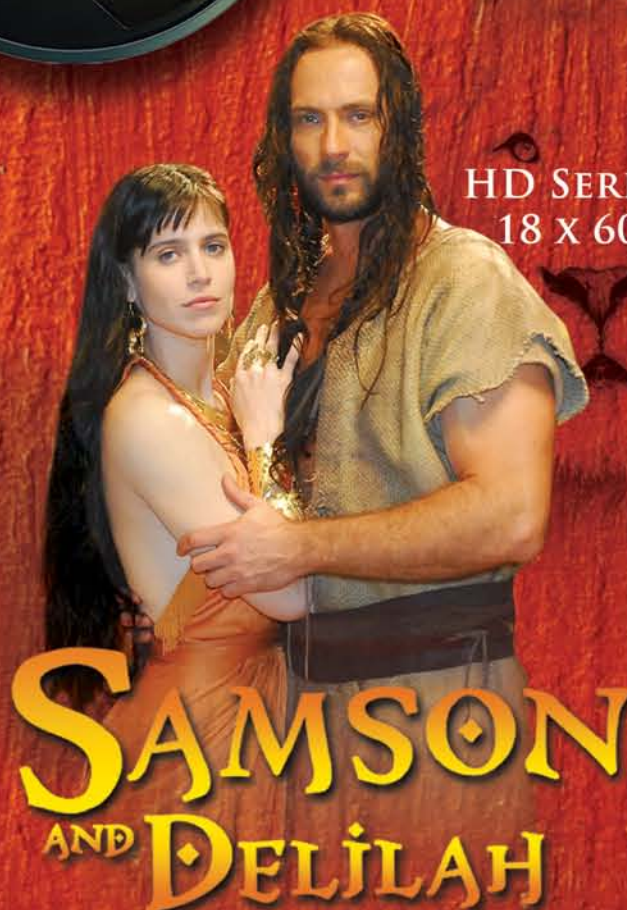
THE SERIES THAT TRIPLLED RATINGS IN THE UNITED STATES



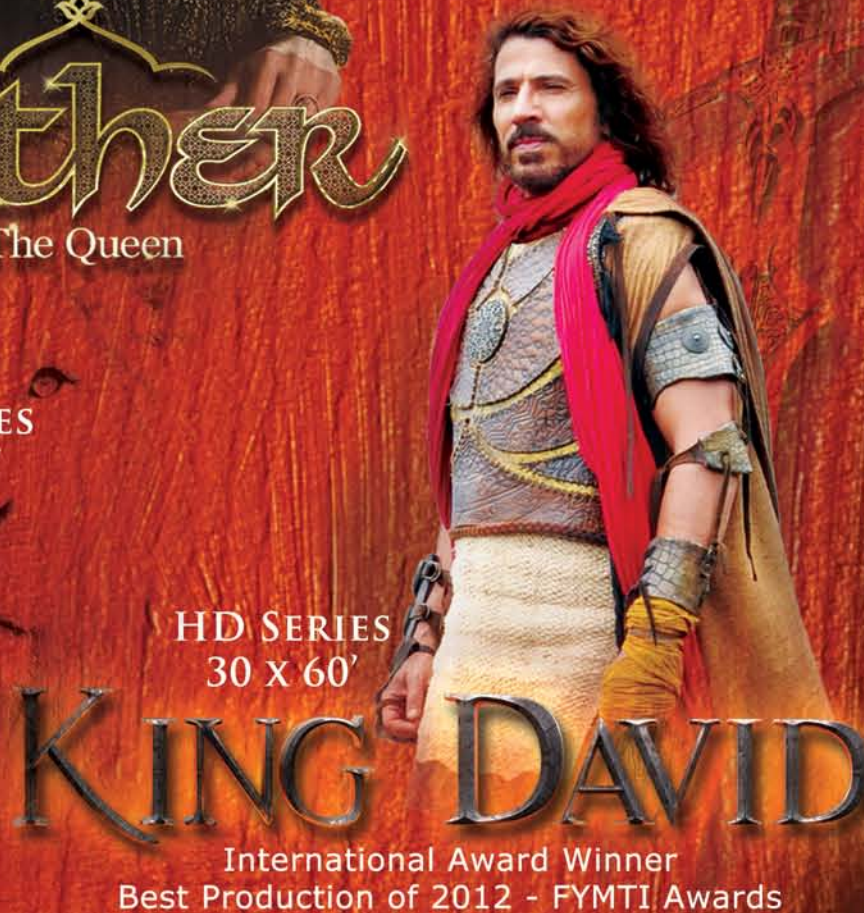
HD SERIES
38 X 60'



HD SERIES
10 X 60'



HD SERIES
18 X 60'



HD SERIES
30 X 60'

KING DAVID

International Award Winner
Best Production of 2012 - FYMTI Awards

INTERNATIONAL SALES

DELMAR ANDRADE
dandrade@sp.rederecord.com.br

EDSON MENDES
emendes@sp.rederecord.com.br

+55 11 3300-4022

BOOTH
13.14



U.S. TV Execs Face Critics with Renewed Confidence for Broadcast TV's Future

By Susan L. Hornik

For over 35 years the California-incorporated Television Critics Association (TCA) — representing 220 journalists writing about TV in the U.S. and Canada — has been organizing a TV Critics Press Tour twice a year, with the past two years alternating between the Langham Huntington Hotel in Pasadena, Calif. in January and the Beverly Hilton Hotel in late July.

At this summer's 15-day Press Tour, which ended August 7, executives from six broadcasting organizations, cable TV representatives, Showtime and Hulu commented on programming and changing television viewing.

VideoAge's reporter on the scene offers this summary from the four major U.S. broadcast TV networks: ABC, CBS, FOX and NBC, and their executives:

ABC's Entertainment Group president, Paul Lee, cites the international success of his U.S. shows as the recipe for the network's success.

"We were looking at our international numbers, and we're really seeing growth, not just on multiple platforms, but internationally. From the slate of new shows, we have eight new pilots from our own studio this year. And a lot of people are talking about our shows, and not just *Scandal*," he said.

He also mentioned *Once Upon a Time*, *Nashville*, *Marvel's Agents of S.H.I.E.L.D.*, *Once Upon a Time in Wonderland*, *Resurrection*, and *Lucky 7* as series that have garnered attention overseas.

After spending time overseas for an Irish wake, Lee was struck by the number of people who approached him to talk about American television.

"I think we don't give ourselves enough credit for just how powerful American television is. I mean, sitting in a land a long way away at 4 in the morning...and you're talking about *Breaking Bad* and *Homeland* and *Scandal* and *Modern Family* and *Mad Men*. You know, there's a reason why so many of the talent from features — and I'm talking behind the scenes, writers as well as directors — are moving across to us, to television. And there's a reason why people around the world are watching our shows. We're making extraordinary levels of very sophisticated television across all platforms, from Internet to pay to cable to broadcast...I was struck by it, by leaving the country and coming back. It is reflected in a very real way in the revenues that we see coming in from the shows that we sell. I mean, *Revenge* is a great seller around the world and a top 10 show in Australia. *Nashville* is selling extremely well for us with Lionsgate. And, of course, *Once* is a great seller for us, and *Scandal*, *Grey's Anatomy* and *Criminal Minds*. We shouldn't underestimate the power of the storytelling in this room and its ability to speak to millions of people in 220 markets around the world," he said.

CBS's chief research officer and president of CBS Vision, Dave Poltrack, had this to say: "Today's viewer has been liberated from the constraints of linear access to television programming. From the early days of the DVR, pundits have seen the expansion of the viewers' access to television programming as a threat to the broadcast networks. We, on the other hand, have argued

‘Clearly, the broadcast system is not broken or antiquated or run by inept people.’
— FOX's Kevin Reilly

that greater access to television programs will benefit the most popular programs the most, presenting an opportunity for broadcast networks that control these programs. Clearly, this has been the case," he said during a research panel.

"It should be clear by now that the new technology and means of program distribution have allowed the broadcast networks to provide viewers with greater access to their programming, and that in turn has changed the economics of the business," Poltrack added.

CBS may be the network achieving the most success under the traditional broadcast model, but that doesn't mean it's not open to new models, said CBS Corp. CEO Leslie Moonves. "We are traditional in how we approach the business. But we still move. We're pretty nimble, and we look at what's happening, and we're able to make the appropriate deals," said Moonves during their executive session. "So as much as we are a traditional network — and we are, and we're very profitable doing that — we still are open to any way of doing business, as long as we can put on good shows and make it profitable."

Moonves cited experimental models like the summer series *Under the Dome*, which sold streaming rights to Amazon; its syndication deal for *The Good Wife*, which includes a Netflix deal; and *Hostages*, which got a 15-episode order.

"The whole model of putting on a big summer show has changed," Moonves acknowledged. "We had to figure out financially how to put on a show of that size and scale. It came down to, the network license fee had to be small. There was a huge international sale and the participation of Amazon. We had to make a deal like never before...It's been a great new model and they've been a great partner," he said.

The international market has become increasingly important, particularly for drama financing, Moonves explained, claiming that it has, at CBS, jumped from "about \$400 million" to "\$1.2 billion" in six years. "International has always been a part of the discussion...International is a major, major part of our business."

FOX Broadcasting's chairman of Entertainment, Kevin Reilly, came to the defense of broadcast television: "Clearly, the broadcast system is not broken or antiquated or run by inept people. In fact, I really respect most of my broadcast competitors," he said, pointing out that in the recent Nielsen cross-platform report, television consumption is up by nearly two hours on average, to 157 hours

and 32 minutes per individual per month.

"People are loving television. It's a dynamic time for television. But how they're watching it and where they're watching it and what they're watching is becoming just an extraordinary tapestry that I think is very difficult to always get by the tail," he acknowledged.

Reilly is not content with current measurement techniques. "Audiences are still enormous across the multiple platforms," he said. "Certainly on television, the vast majority of viewing happens within the first three days. But on other platforms, that's not the case. Take a look at VoD, which is a growing segment for us. We've been pleasantly surprised to see the way the audiences have embraced this platform as a catch-up and binge-viewing device, but what you see is the audience is equally proportioned in their viewing over that 30 days. And yet in the Nielsen measurement, we

(Continued on Page 28)

Eye on the L.A. Screenings



Artear's Julieta González at the 2013 L.A. Screenings



Lionsgate's Maryann Pasante, Peter Iacono at the 2013 L.A. Screenings

(Continued on Page 30)

Spreading Wellness Worldwide.



VERIA LIVING
WORLDWIDE



The Lisa Oz Show

Lisa Oz and celebrity guests such as Deepak Chopra and Donna Karan have no-holds-barred conversations on hot-button health and wellness issues. **39 x 60 min**



BollyBlast

The energetic Bollywood-based exercise series to get your heart rate up and your hips moving. **52 x 30 min**



Yogi Cameron: A Model Guru

A new season with the ex-supermodel turned yogi who helps clients using yoga and ancient Ayurvedic techniques. **26 x 60 min**

The world is embracing wellness, and Veria Living Worldwide is leading the way. Now with **over 1,400 hours of original HD/SD content** — fitness, healthy cooking, reality, travel and more!

To schedule an appointment, contact:

Raymond Donahue Chief Revenue Officer
raymond.donahue@veria.com t: +1 646 745 9024

Or visit www.verialiving.com/programsales

Visit us at G3.07 Get a **FREE MASSAGE** at our Wellness Lounge!

FOOD | FITNESS | HEALTH | LIFE | REALITY | TRAVEL

VERIA LIVING™ AND GO WELL™ ARE TRADEMARKS OF ASIA TV USA LTD. ALL RIGHTS RESERVED.

(Continued from Page 26)

only get credit for the first three days if there is the identical ad load in the VoD window."

He continued: "My frustration with the system is that we have been bound by certain practices that were born in a different era, that we are, at FOX, going to begin pushing back on. An arbitrary 35-week season, September to May. Okay, that's been a nice convenient measurement. We've been bound by sweeps and certain rhythms in the year. But the last time I checked, the calendar was 52 weeks long. That's how people watch television. They just want a good show on the air at some time. We are no longer going to be able to be in an environment where we heavy-up on repeats certain times of the year. The audience is less and less embracing of repeats in our network window."

Reilly wants to move repeats onto other platforms where "it is a much better consumer experience" and "where we can monetize it better. So we're going to have less repeats and less fallow times of the year. We've been in these same pilot cycles where we do everything at once — including fall launches. We'll still be in the fall launch game, but it's crazy that we launch 80-something shows at once at that time of year."

Reilly's plan is to really begin breaking out of the mold. "We're going to be in more of a 12-month rollout, where there's something premiering throughout


the year. And there are no times of the year that are lesser than other times of the year. I'd really like to ban the word 'midseason' because midseason is another arbitrary notion," he said.

From **NBC**, Robert Greenblatt, chairman of NBC Entertainment, said 2013 was their most competitive year in the last nine years. "It's the first time since 2004 that NBC is running this close to first place and second place. We're within a 10th of a rating point of number two and within 0.4 of number one. And that includes no help this season from the Super Bowl or the Olympics. As everybody knows, we dominated the fourth quarter, which was a great story. Of course it was probably not the greatest thing to happen to us because you know you can't sustain that forever, and the first quarter declined the way we expected it would. Happy to say we bounced back in the spring. And at this point in the summer, we're leading all the broadcast networks, if you exclude ABC's NBA Finals boost.

"Season to date, we're the only broadcast network that's flat from the previous season. I know one could say, how good is it to celebrate being flat? But at this point in our business, flat is the new up," he said.

Greenblatt believes the networks need to be in the event business. "I think you're going to hear that from every broadcast network. We look at events in

many different ways. Obviously there's a lot of live events, and live is really important these days when you're trying to fight the DVR and build the biggest audience you can for the premiere of a show. We have a whole bunch of live events from the great sporting events, football, the Olympics, but also *The Voice* and *America's Got Talent*. We're doing a big live quiz show in September for two weeks called *Million Second Quiz*. We're doing a big holiday family event, a live broadcast of *The Sound of Music*, the musical, in early December. We have *Saturday Night Live*. We have the daily late-night shows, which are not technically live, even though Jimmy Kimmel makes you kind of think he's live, but those shows are obviously taped the same day, so they feel immediate and they feel of the moment. The *Golden Globes* specials are important to us. The *Thanksgiving Day Parade* always does really well. *The Fourth of July* does well. We're looking for more and more of those kind of events. We have a slew of specials coming this year, several of which we will announce over the next few weeks, again to that point of just having more and more events," he said.

But Greenblatt added that the scripted side of television is also a focus. "Trying to come up with series events is difficult, but we're trying, and I think, to some degree, we're succeeding. A show like *Revolution* was a big event conceptually, and it did really well for us. It's harder in comedy," he said. Greenblatt believes series like the upcoming *Michael J. Fox Show*, *Blacklist*, *Believe*, *Crisis* and *Dracula* will be event series. *Dracula*, specifically, he said is "a big period show with a star and a sort of reconceptualization of a story that everybody knows." The network also plans to focus on the miniseries and the limited series arenas. 



An enchanted castle, a witch, a princess and ... some frogs.
Will her Prince Charming be among them?

CORINA

celebrity Splash!

MY BIG FAT REVENGE

FIRST GET FIT THEN GET PAYBACK!

INSPIRING AUDIENCES WORLDWIDE

eyeworks

SECRETOS DE FAMILIA



© 2013 Disney Media Distribution, Inc.

Disney Media Distribution
Latin America

A Good Upfront for Broadcast TV

The five English-language U.S. broadcast networks finished their Upfront sales for primetime commercial TV spots — that began in mid-May in New York City — early last August. (The Upfront presentations in May were immediately followed by the L.A. Screenings in Hollywood.)

Advertising rates were generally in line with expectations, with CPM increases in the mid-to-high single digit range. Estimates are that the five broadcast networks — ABC, CBS, FOX, NBC and CW — received commitments from advertisers to pre-buy anywhere from about \$8.7 billion to \$9.15 billion worth of commercial time during the 2013-14 primetime season, which began last month and continues through next May.

The Upfront reconfirmed that broadcast television is still a good way for advertisers to get reach and frequency and that, indeed, large brands cannot do without broadcast television.

Reportedly, some advertisers decided to “bring forward” some money they had planned to invest during the season in the scatter market because they believe that broadcast primetime commercial spot prices will be even higher during the season.

According to some estimates, CBS led the Upfront with commitments ranging from \$2.5 billion to \$2.6 billion or even as high as \$2.75 billion. The CPM rates that CBS charged advertisers for the 2013-14 season are estimated to have increased by an average of 7.5 percent.

ABC took in an estimated \$2.1 billion to \$2.2 billion; NBC, \$1.9 billion to \$2 billion; FOX about \$1.8 billion and CW from \$400 million to \$420 million.

Estimates for the combined cable channels’ advertising commitments are \$9.8 billion. AMC, for one, reported sales 20 percent higher as compared to last year’s Upfront.

An Analysis of The New U.S. Season, According to RAI’s Luca Macciocca

“The major U.S. broadcast networks have adopted a new production and scheduling model. After copying cable channels’ content



Watercolor painting of guests at a Fox lot party by artist Shelley Lazarus. From l. to r.: Veteran TV exec Norman Horowitz, NATPE’s Rod Perth, UNE’s John Laing, the artist, VideoAge’s Dom Serafini, Carsey-Werner’s Herb Lazarus, Leda films’ Pedro Leda

style, broadcasters are now emulating cable’s programming strategy. Indeed, the major networks have realized that limiting their new series to the fall (while ignoring the important summer season), is no longer working.

“Up to now, only cable used to present their premieres during the summer, simply because it was an ‘open’ season, free of new network fare. But today summer is considered a TV period full of viewers and opportunities for advertisers, deserving quality original production on the part of broadcasters, in order to compete not only with cable but also with on-demand services offered by such TV outlets as Netflix, which are investing in popular original productions programmed for binge-viewing that are proving popular with consumers.

“However, the complexity and sophistication of the new series’ plots have reached saturation levels. The stories are increasingly difficult to follow — at least at the pilot stage — demanding viewers’ attention that’s no longer required sporadically in ‘signature’ series (examples are series like *Lost* that offered creative angles for other series such as *Flash Forward* and *Last Resort*).

“Viewers’ increasingly limited attention spans have resulted in a newly found relevance of sitcoms. This year, it’s become more evident, both in the quantity of such shows and quality of the



Record TV’s Delmar Andrade

talent involved (Robin Williams, Michael J. Fox, etc.). Also, in many returning drama series, scenes are now shorter, with brief dialogue, which is the case with sitcoms.

“As far as the dominant themes are concerned, this year confirmed the almost systematic presence of at least one gay character in each series. Today, if anything, the gay character assumes a positive, educational role (see NBC’s *Sean Saves the World*). The ‘traditional’ family has been replaced with all different types of families.

“Sometimes the roles are reversed, and in *Dads*, the fathers of the two main characters move in with their children. In *Mom*, we see an ex-alcoholic single mother struggling with her two daughters, one of whom has an active sex life and smokes marijuana. Their father tries to extort \$2,000 from his wife to buy drugs to resell. The mother of the mom, whom the grandchildren idolize, is a former meth addict attracted to boys a third of her age. In *Undateable*, the failure of the heterosexual couple is already in the show’s premise: they simply can’t communicate. The only example of a true traditional family seems to be *The Goldbergs*...but, significantly, that is set in the ‘80s!”

Luca Macciocca, based in Rome, handles RAI-2’s drama programming (TV series and feature films) and is a regular fixture at the L.A. Screenings.



Disney Media Distribution Latin America’s Fernando Barbosa, Henri Ringel, Santiago Bottaro, Jack Morera, Heather Harris, Leonardo Aranguibel, Fabiola Bovino, Gustavo Sorotski



Telefilms’ Tomas Darcyl



NBCUniversal’s Belinda Menendez, Albavision’s Analida Lopez



THE
MORTAL INSTRUMENTS
City of Bones™



ALL RIGHTS, ALL PLATFORMS, ALL LATIN AMERICA
VISÍTEMOS EN MIPCOM 2013. STAND 09.04. WWW.TELEFILMS.COM.AR TELEFILMS@TELEFILMS.COM.AR

Telefilms®

Crowdfunding and Online Distribution for Arab Filmmakers

By Sherif Awad

Aflamnah, the Arab world's first crowdfunding website, and YallaTV, a leading video-on-demand website focusing on Arab filmmakers, recently launched a comprehensive joint effort to promote Arab filmmakers and their work. Both Aflamnah and YallaTV are based in Dubai, UAE.

Crowdfunding is a way to raise money online in order to back creative projects or start-up businesses. Donations net rewards.

The classic dilemma for independent Arab filmmakers after finishing their projects has been finding an audience. But thanks to the new partnership between Aflamnah and YallaTV, Arab filmmakers have more online tools and resources to find financial supporters and reach audiences in a dynamic new media environment.

Through this partnership, YallaTV will present Aflamnah-financed films on its website, provide financial and other promotional services to select Aflamnah films, showcase Aflamnah pitching videos, profile Aflamnah producers on its Focus on the Filmmaker and VIP portals, and provide directory services. Aflamnah will provide YallaTV with select content for online exhibition, invite select YallaTV filmmakers to participate in crowdfunding on the Aflamnah website, advertise YallaTV on its website and marketing materials, and cross-promote YallaTV at Aflamnah-sponsored events.

"As YallaTV adds to its suite of services for Arab filmmakers, we recognize that the Arab film production community needs more innovative ways to finance films," said Aaron Spring, director of Marketing for YallaTV. "We've been impressed with how fast and how well Aflamnah is meeting this need through Internet-based crowdfunding. We're looking forward to supporting Aflamnah's crowdfunding option for YallaTV's filmmakers and helping more Arab directors, producers and writers get critical-stage financing," he said.

Vida Rizq, principal founder of Aflamnah, said that her company, launched on July 1, 2012 for the Arab world, was built because "we could see how many projects we felt deserved to see the light of day that cannot get made because of the lack of funding. Aflamnah and YallaTV came together to help Arab filmmakers turn their big dreams into reality. Our partnership is a very good fit for us and the filmmakers who choose the Aflamnah platform to pitch their films. We're going to be able to reach out to more filmmakers, provide more resources and encourage and develop more talent in a region that has so many compelling stories to tell on film."

Crowdfunding has been very successful in North America and Europe with over U.S.\$2.8 billion raised in 2012 over 450 crowdfunding sites. Although it has only been active for less than a year, Aflamnah has already raised enough money to back over a dozen Arab-produced film titles. The most successful so far is *When I Saw You*, a film by Palestinian director Annemarie Jacir that received over U.S.\$10,000 from Aflamnah



Vida Rizq, principal founder of Aflamnah

supporters and won the Best Arab Film award at the 2012 Abu Dhabi Film Festival and the NETPAC award at the 2013 Berlinale.

YallaTV is owned by TPI Middle East FZ LLC, a production and distribution company based outside of Dubai Media City and it was launched on October 2, 2011. YallaTV's library currently includes 118 films that can be viewed online, all of which are 100 percent Arabic content created by MENA region producers. "Blu-ray and satellite TV have been and will continue to be major players," said YallaTV's Spring. "However, high-speed Internet service and smartphones are where the growth is in the MENA marketplace. People enjoy the freedom of VoD to watch video content anytime, anywhere, and YallaTV is well-positioned to serve this mobile, time-shifting audience."

Comparing YallaTV to Netflix, Spring said: "Netflix serves a wide, global audience with many choices of streaming video and DVDs, all available through monthly subscription. YallaTV serves the MENA region exclusively with VoD content created by independent Arab filmmakers. We're meeting the MENA region's growing appetite for Arab-language films and videos, as well as enabling Arab filmmakers to connect with their audiences and each other."

He continued, "We're the first platform that focuses on the Arab filmmaker and showcases the work of talented newcomers and industry veterans. Unlike Netflix and other online providers, we don't charge viewers to watch our content. We also provide our filmmakers with many free services, such as marketing and publicity, directories, social media and film festival networking, and other career development tools. In today's media landscape, VoD should be a part of any filmmaker's marketing toolbox. Well before a film is launched, VoD is an effective platform for promotional trailers, teaser clips and behind-the-scenes interviews. To maximize the impact of marketing budgets, more producers are releasing

their films on VoD concurrent with theatrical releases, or shortly afterwards. VoD also extends the viewing window of a film title and reaches new audiences."

Arab filmmakers have generally been very open to crowdfunding and those who have benefited have become avid supporters and ambassadors. "Some filmmakers feel it is not for them or they are protective of their idea or are too embarrassed to crowdfund," added Aflamnah's Rizq, who is working hard to get the message across that this is a huge opportunity for funding ideas in other parts of the world.

Rizq said, "The concept of crowdfunding is about inviting people to become involved with you and your idea and a chance for the normal person on the street to get insider access to how an idea becomes a reality. We are for all creative ideas and not just for films. Our criteria is that any project has to be for or from the Arab world. Once an idea is submitted we obviously ensure that people have thought through their project and most importantly their campaign. It is not enough to create your project and a pitch video; the most important aspect is the campaigning that goes with it."

So far, Aflamnah has supported 33 different projects, and not just for production costs. Although *When I Saw You* got U.S.\$10,000 from Aflamnah, the director needed the money for marketing and distribution; she originally wanted to raise U.S.\$5,000, but ended up doubling her target. "We have not put a maximum amount. The highest target is for a film called *51* that is currently crowdfunding and is looking to raise U.S.\$170,000," explained Rizq.

She also mentioned that she does not want to expand the service in other countries. "Aflamnah is an online business and like any other e-commerce site, which is essentially what we are, we do not need too many regional offices, but we are very excited about creating partnerships and opportunities with like-minded organizations around the world."

And, she added, "Currently the YallaTV platform is only for Arabic films created by MENA region producers. If a MENA region producer creates an Arabic film about another region of the world we would consider it for distribution."

YallaTV is focused on building up the Arab filmmaking community and showcasing unique talent from the rapidly growing region. "Our new partnership with Aflamnah provides many valuable opportunities for filmmakers," added YallaTV's Spring. "We're offering services to help these filmmakers get their films financed, as well as providing distribution options for trailers and completed films. YallaTV is also exploring co-production opportunities with Aflamnah registered producers. Our goal is to provide Aflamnah filmmakers with more ways to put their films before influential industry leaders and be seen by new and wider audiences." 🇸🇦

Forever yours



Obsession Love Illusion Ambition

*❖ Fate brought them together and
their love will fight against the past ❖*

MIPCOM
Palais des Festivals
Cannes, France
Riviera Sea View.02

CONTENT FOR THE WORLD
STORIES FOR THE HEART

www.televisainternacional.tv



myTV Partners with Media Gurus of the Middle East

The Dubai, UAE-based myTV, the most advanced Arab American high-end content provider of Arabic TV channels and videos on demand (VoD), has announced a new partnership with Lebanon's LBC Group. myTV also recently finalized a collaboration with Cairo's Misr International Films ("Misr" stands for Egypt in Arabic) to add the company's entire library of productions to its platform. The content acquired includes internationally renowned Youssef Chahine's films, documentaries and behind-the-scenes footage of one of the greatest Egyptian-born Arab filmmakers.

Founded in 2011 by a group of Lebanese expatriates in the U.S., myTV is directed by a team of technology, content and media experts. The company provides Arabic-language live TV channels and unlimited VoDs everywhere in North and South America and Australia. myTV's lineup includes 44

premium channels from across the Arab world with exclusive deals with TV networks such as Rotana, a Dubai-based group with offices in Cairo and Beirut; LBC America and Orbit, a Kuwait group for pay-per-view satellite TV services across the Pan-Arab region. In addition, myTV has access to an extensive library of VoD content from across the Arab world, making it the single largest Arabic content provider worldwide.

Commenting on the new partnership, Spiro Azkoul, CEO of myTV, stated, "The Over the Top (OTT) market is one of the fastest growing home entertainment options nowadays, proven by players like Netflix and Hulu. myTV will provide this OTT platform to the Arabic viewing audiences in North and South America, as well as Australia. This is a win-win partnership that will boost fruitful collaboration for all Arabic content owners globally. We have over 12,000 hours

of rare footage films from the late Arab singers Umm Kolthum and Abdel Halim, plus films of Lebanese singer Feyrouz, also children's cartoons, education and religious programming ranging from TV shows and new movie releases fully accessible from the comfort of consumers' homes."

Regarding myTV's partnership with Misr, "Our new partnership with myTV will make Chahine's movies more accessible to a wider audience and will open new markets for Misr International Films productions. This collaboration with myTV is, in fact, a very important step that will positively influence the Egyptian cinema," said Gabriel Khoury, managing director and producer at Misr International Films.

myTV addresses the needs of a wide audience of Arab residents across North and South America and Australia, including a total of 6.5 million Arabs in the U.S. and Canada, 11 million people of Arab descent in Brazil, and 800,000 Arabs in Australia.

myTV was voted the number one start-up company in the MENA region for 2013 in *Communicate Levant Magazine*. Azkoul commented on this recognition, saying, "the acknowledgment of our peers is a testament to taking the company and product in the right direction."

As officially reported, "myTV's unique service helps expatriates, immigrants and people on the move feel closer to their homeland by giving them access to the channels they love, and the TV shows, movies or music videos they are nostalgic for. myTV's service is all about enhanced performance, advanced technology, more features, and the most affordable prices." In the Pan-Arab region, pay-per-view packages vary between U.S.\$25 and \$100 per month. (Sherif Awad) ■

SwissTelevision Programs



Nicoletta, So Many Lives

This documentary tells the story of Nicoletta Gay, psychotherapist and spiritual consultant for terminal oncological and rehab patients, by following her in her work as a teacher, in her daily routine of personal rites, studies and prayers. It also accompanies her on one of her many journeys, on a quest for the ancient and traditional wisdom in New Zealand, where she meets the Maori keepers of ancestral memory. A healer and therapist, Nicoletta bridges cultures and places; she accompanies souls on their earthly path up to their return to the eternal source.



The Team

One summer day the director of this documentary receives a call from a social worker in Locarno. A group of youngsters needs a coach. There are Dominicans, Slavs, Moroccans, Italians and Swiss, all united by the same dream of forming a street basketball team. This is not only the beginning of a sport adventure, but also a human experience for a group of teenagers who, at times, seem to have been "left out" and excluded from "official events". This teen group, however, refuses to be pushed aside. "I have coached them, admired them, and loved them", so the director and coach of this unusual team. The result of their encounter is to be seen in this documentary.



Foodies

Lovers of food and good cuisine looking for top quality in ways of ingredients, gastronomy and catering. Encounters with young chefs who are revolutionising the European culinary scene. They are interviewed by Viviana Lapertosa while perusing the markets or working in their kitchen, and the interviewer was even given an opportunity to cook with them.

Anton Schmaus, Edouard Loubet, Aurora Mazzucchelli, Ronny Emborg, Markus Arnold.

**Swiss Television
Sales Office**

CH 6903 Lugano
Switzerland
Tel. +41 91 803 54 82
Fax +41 91 803 57 25
salesoffice@rsi.ch

SRG SSR

rsi.ch



Radiotelevisione
svizzera

IT'S NOT AN ORDINARY COURTROOM



Asking For Production Money Gets Interactive, Fun

By Isme Bennie

Got a great idea for a production, but no interest from traditional financing sources such as broadcasters, government agencies or distributors? Well, you may still be in luck, because a new generation of online platforms has emerged around the world to help the creative community overcome its money problems.

Crowdfunding is its name, and it has emerged as an alternative-funding vehicle, driven by huge success stories on platforms such as Kickstarter and Indiegogo in the U.S.

Crowdfunding is a web-based participatory process that allows a producer to post an online pitch for financial contributions. The pitch goes straight to the inboxes of targeted offices and homes, bypassing traditional avenues and cutting out middlemen. Key to the process is social networking and its ability to harness the power of online communities to extend publicity and financing opportunities. As of April 2012, 450 active crowdfunding platforms existed internationally, mostly in North America and Western Europe.

One example worth looking at is Slated, a New York City-based company that connects filmmakers and potential financiers online. In its one-year operation, it has registered 4,000 members who each pay \$500 a month. The platform differs from crowdfunding sites like Kickstarter and Indiegogo, in that Slated solely introduces filmmakers to equity investors (who meet the Securities and Exchange Commission requirements). Plus, each film project listed on Slated must have a director, a producer, a writer and principal cast to be considered.

Reacting to a growing demand for information by the Canadian creative community, the Canadian Media Fund (CMF) recently launched a new website dedicated to crowdfunding that is a benefit not just to Canadians, but also to the production industry worldwide.

The CMF site features a directory listing some 50 crowdfunding platforms accessible to Canadians — platforms that are most relevant to creative content projects. It also sheds light on the Canadian regulatory and legal situation relating to crowdfunding, as well as facts and statistics on the phenomenon, plus a list of best practices. Aimed at the Canadian industry, it is nevertheless of great value to the creative community worldwide, particularly because it includes case studies of recent successful crowdfunded projects, such as *The Age of Stupid*, the project of Franny Armstrong and U.K.-based Spanner Films.

Doc Ignite is one of the sites listed by the CMF. It is a crowdfunding service operated by Hot Docs, Canada's International Documentary Film Festival. With six campaigns under its belt, Doc Ignite is different from other crowdfunding services in one main aspect: It works with a single doc-in-progress at a time, to really focus on the project, so that projects do not compete with each other and can benefit from the services of a dedicated publicist. Doc Ignite solicits independent Canadian projects that best represent the Hot Docs family of work. Projects



Elizabeth Radshaw, Hot Docs Industry Programs director

are selected by a committee, and there is a lead up time of three months to assist the producer build up a carefully planned, strategic campaign, get the social media in place, prepare the outreach and get the actual pitch itself out to potential online contributors.

The success of the campaign comes from the collective excitement the project generates. Toronto producer Charlotte Engel of Rock Yenta Productions, observed that projects with a built-in fan base or with a built-in community around a cause are the most likely to succeed.

Elizabeth Radshaw, Hot Docs Industry Programs director, agreed that social issues attract attention because of their altruistic nature, but she said ultimately the most important component is the relationship between the creator and the audience, no matter what the subject.

Jocelyne Clarke, a producer at Montreal's Pleiades Inc., had a different take on audience relations. Her project, *Granny Power*, is about older women who formed a highly original protest group, singing for social justice, peace and the environment. The main characters in *Granny Power* are between 65 and 80 years old and the project hit a bump in the road because its potential funding target was not necessarily tech or social media savvy. The project was originally with Indiegogo, but in addition to the audience issue, Pleiades found that keeping the campaign vital and alive took a huge amount of manpower and outreach work every single day, and it was more than the company was able to sustain. Pleiades has since looked elsewhere for financing.

Different crowdfunding models exist, and some models are better suited to the creative content industries than others. Doc Ignite, for instance, is donation-based, and offers incentives such as DVDs or in-kind contributions (e.g., editing facilities, access to footage and other sorts of assistance) as rewards for participating. Participants have no expectation of repayment, gain or ownership incentives. Rewards depend on the level of the

contribution — C\$250 might garner a DVD.

The lending model is another type, where contributors expect a repayment of their contribution in some form. Another is the investment model, which sees contributors purchasing securities of some sort.

All models, however, bring with them legal and financial implications of which the producer must be cognizant, including issues such as tax and regulatory effects, chain of title, etc.

Crowdfunding campaigns provide advantages for producers beyond financial gain, ranging from advance marketing insights into the potential for the project, to getting creative feedback.

At Montreal-based Cuban Hat, the non-profit organization founded by Diego Briceno and Giulia Frati, instead of cash, winners get a "hat" full of helpful services, ranging from a consultation with a media executive, to a free conference accreditation, or a host of other in-kind contributions. Cuban Hat solicits submissions from around the world, and a selection panel narrows them down to 15, then online voting selects the top five. These are pitched live at a documentary venue or trade event, and the winner gets voted on in-situ. This November, Cuban Hat is organizing its own pitching event in Montreal.

Secret Trail 5 is a Doc Ignite success story. The producers, Amar Wala and Noah Bingham, first tried traditional funding sources, but hit the recession of 2008-2009 and couldn't raise a broadcast license, so they built their own crowdfunding website and raised \$27,000. Then Doc Ignite, with its strong support system and access to a huge audience base, helped them find the rest. The project deals with the human aspect of the war on terror in Canada, and the pitch, a call to Canadians to debate this issue, hit an emotional chord. In just three weeks of a five-week campaign, almost C\$18,000 was raised from 147 contributors. Amar Wala's caveat: don't expect to raise your entire production budget through crowdfunding, and do expect to work on it full-time in the key pitch period. *Secret Trail 5* is currently in post-production.

Another Canadian success story — this one on Kickstarter — is *Indie Game: The Movie*. It was one of the first feature films to be posted on Kickstarter, and was funded in part by two successful crowdfunding campaigns. It premiered at the Sundance Film Festival in 2012, where it won the Best Editing Award in World Documentary Cinema and was optioned by Scott Rudin.

While one-off documentaries from independent filmmakers seem to be the most common crowdfunding projects, actor-director Zach Braff's campaign — again on Kickstarter — for a sequel to his film *Garden State*, reportedly raised over \$3.1 million, well beyond the \$2 million requested.

The highly anticipated Kickstarter campaign to fund a *Veronica Mars* movie shattered a few crowdfunding records. The campaign, pegged at a C\$2 million goal, ended up raking in nearly C\$5.5 million as of press time, with over 86,000 backers.

With success stories like these, crowdfunding has become a major player in the production universe and it's growing exponentially. ■

art/IND is proud to distribute the RAI channels in the USA and Australia.



Announcing the new programs on RAI ITALIA:

Community – L'altra Italia – A daily appointment with the Italian communities worldwide.

Camera con vista – A daily journey to discover the art, the landscapes, the design, the sounds, the beauty of Italy and its cities.

Un giorno nella Storia – A daily calendar of major events in Italian history.

Doc! Doc! – A daily appointment with the best documentaries on Italy.

Speciale Community: Voci d'Italia – An 8-part series on the daily newspapers of the Italian communities throughout the world.

For distribution and advertising opportunities, please contact: Mr. Tony Mekhael – Email: tony@artlebanon.com – Tel: +39 (347) 828-0394



REACH MEDIA INC.
Exclusive Distributor for USA



World Media
International
Exclusive Distributor for Australia

New York · Los Angeles · Detroit · Knoxville · Stratford · Montreal · Rome · Cairo · Beirut · Sydney

Brazil: A New TV Landscape

By André Mermelstein

A lot has been said about the promising condition of Brazilian TV. How much of it is true? What are the real opportunities within this giant market, with over 190 million people, 17 million pay-TV subscribers and one of the most vibrant FTA television systems in the world?

Brazilian FTA television reaches 99 percent of the population, led by TV Globo, which is simultaneously a driving force in the market, as well as a barrier for newcomers. As in most countries in Latin America, Brazilian broadcasters produce most of the content they air, especially drama and comedy, leaving little room for imports, limited to no more than a few hours a week of feature films, doc excerpts and some animation.

Most of the attention is now drawn to the booming pay-TV market, which has grown an astonishing 30 percent a year over the last three years, reaching 17 million subs in June 2013. It's not much, considering Brazil has more than 55 million TV households, but it's the largest market in Latin America and it counts more viewers than France, Canada, Italy or Spain, for that matter.

This growth has been followed by the new Pay-TV Act, known as Law 12.485/11, which has two different effects: On one hand, it deregulates the distribution market, allowing telcos to compete in the cable marketplace. It also makes it much easier for new companies, such as ISPs, to start cable operations. As an immediate effect, Telmex's Embratel took over Globo's share in Net, the country's largest cable company. Now Net is expanding its network from 200 to 300 cities. Telco giants like Claro and Oi are investing in this business (Oi has just hired the entire capacity of the SES-6 satellite, launched in June) and Dish is expected to join them soon, all competing against the current leader in DBS TV, Sky (DirecTV).

On the other hand, the pay-TV act introduced quotas for local content. It establishes that one third of all channels on a given package must be Brazilian (news and sports channels are not counted). That makes it difficult for anyone trying to enter this market with new channels. The law also forces all channels to broadcast a

Most of the attention is now drawn to the booming pay-TV market, which has grown an astonishing 30 percent a year over the last three years, reaching 17 million subs in June 2013.

minimum of 3.5 hours a week of independently-produced Brazilian content in primetime. This is also not such great news for those trying to sell international content to local networks.

At the same time, the law creates a fund with money provided by the telcos from a tax for every new mobile phone sold. This fund, the FSA (Fundo Setorial do Audiovisual), now accounts for almost U.S.\$500 million total, to be used in local independent production. This is a good opportunity for international producers, because money can be used to fund co-productions as well.

So, from an international perspective, the new



André Mermelstein is the editorial director of Converge, publisher of Tela Viva, Brazil's leading magazine on broadcasting and production. He's also head of the Brazil TV Fórum. Photo by Marcelo Kahn

law will help Brazil continue to grow its market, which is good news for those willing to do business in the country. But it comes with a price, which is the space it saves on programming schedules to local content. There are many opportunities, generated by the upcoming sports events (the FIFA World Cup in 2014 and the 2016 Olympics) and by the public funding available for original production. Brazil is definitely the place to be in the next few years. 🇧🇷

Brazilian TV Facts & Figures

Population: 197 million
Total HH: 61 million
TV HH: 96.9%
TV Broadcast Stations: 138
FTA National Networks: 14
FTA Public Networks: 2
TV Revenues (annual): U.S.\$14.1 billion
Pay-TV Subscribers: 17 million
Broadband Subscribers: 17 million
Withholding Tax: 15%
Remittance Tax: 10%



The colours of Italy

Rai Italia

proudly presents the new programs



Community - L'altra Italia

A daily slot (every afternoon, Monday to Friday), hosted by Benedetta Rinaldi, featuring the voices, the stories, the events, the images from the Italian communities worldwide. Also, the secrets of the Italian language, the most popular Italian songs and an help desk for Italians throughout the world.



Camera Con Vista

Camera con vista

A Room With a View

A daily journey (every afternoon, Monday to Friday) to discover the art, the landscapes, the design, the sounds, the beauty of Italy and its cities.



Un giorno nella Storia

A Day in History

A daily calendar (every afternoon, Monday to Friday) with the anniversaries of Italian history: from the archives of Rai, a calendar of memory to remember events, key figures, mysteries and unforgettable moments.

Doc! Doc!

A weekly slot (Saturday late night) with the best documentaries on Italy: an in-depth look at the contemporary Italian society, style of life, social issues.

Speciale Community: Voci d'Italia

Community Special: Voices of Italy

An 8-part series (Sunday afternoons) to investigate the work and the success of the daily papers of the Italian communities throughout the world.

WORLDWIDE DISTRIBUTION

Rai Italia

**Rai World
Premium**

Rai News 24

EUROPEAN DISTRIBUTION

Rai 1

Rai 2

Rai 3

Rai News 24

Rai Storia

Rai Scuola

Rai radio 1

Rai radio 2

Rai radio 3

Rai World

PRODUCTION
BROADCASTING
DISTRIBUTION

CANNES - MIPCOM 2013 - Stand R30.03

Venice Makes Gentle Push for Merchants with Film Market

The second edition of the Venice Film Market (VFM) welcomed 1,600 registered professionals, including 60 invited buyers and 40 invited producers. The market evolved from a rib of the Venice Film Festival, which took place August 28-September 7, and *de facto* replaced the market associated with the Rome Film Festival, to be held November 8-17, in direct competition with the much bigger American Film Market (AFM), held in Santa Monica, California, November 6-13.

The majority of executives in attendance at VFM came from European countries, but invited professionals also included executives from other parts of the world.

The number of exhibiting stands doubled from last year (from seven to 14), including Argentina's INCAA (Instituto Nacional de Cine y Artes Audiovisuales) and Brazil's Cinema Do Brasil.

Russia's Roskino stand was once again the most prominent this year. Roskino (jointly participating with Aeroflot) also sponsored a market party on the evening of August 30 and a seminar on "Russia and VoD distribution in the context of BRIC [Brazil, Russia, India and China]."

Asked about her decision to return to the market for a second time, Roskino's Ekaterina Mtsitouridze explained that in addition to the beautiful venue, she likes the timing of the market, conveniently placed between the Cannes Film Fest and AFM. Roskino — like most of the other exhibitors — also attended the Toronto International Film Festival, held just after Venice.

As usual, Italy's Studio Universal, part of NBCUniversal (on the Mediaset Premium digital terrestrial platform) was present at the Festival, where it fully rebranded the Mojito (one of the traditional bars at the Lido) as Studio Universal Bar. Festival and market delegates were invited for free drinks to participate in a game to promote its suspense series.

The Studio also screened at the Venice Classics program a documentary titled *Great Women: Anna Magnani in Hollywood*, produced by NBCUniversal Global Network Italia for its Diva Universal (channel 128 on Sky) and directed by Marco Spagnoli. In addition, Studio Universal brought along on the Venetian Lagoon the Minions Jerry and Jorge from the movie *Despicable Me 2*, soon to be released in Italy.

Some market seminars at the VFM included: "The Role of Talent Agencies," "European Films Shot in English," "Production and Distribution with South America," "Production



Pascal Diot, director of VFM

and Distribution with the Middle East" and "European Companies and the Chinese Market," among others.

The VFM exhibition area was once again located on the third floor of the Excelsior Hotel in Venice Lido (beach), close to the red carpet and main screenings venue of the Festival, both located at Palazzo del Cinema Convention Hall. In addition to the exhibition floor where the stands were located, the area in the hotel included a room for the digital video library, a conference room called "Spazio Incontri" (Meeting Area) where seminars were held, and a business lounge.

For the second year in a row, Medusa (one of Italy's major film producers and distributors and part of Mediaset's Group) was missing from VFM and the offices of Italian film distribution company RAI Cinema (part of Italy's state broadcast organization, RAI) not only didn't exhibit at the VFM but also moved out of the Excelsior Hotel altogether — where, for many years, it had maintained an office during the Festival. This year RAI Cinema rented Villa Miramare, a private house near Palazzo del Cinema, where it established its festival headquarters. Reportedly, RAI Cinema decided to move out of the Excelsior due to the large price increase demanded by the hotel for its traditional office suite.


In an interview with *VideoAge*, VFM director Pascal Diot said he was satisfied with the growth of the market so far, detailing some new features he implemented this year.

He secured the important Sala Pasinetti inside the Palazzo del Cinema and two other venues for the buyers' screenings of titles entered in the official Festival selection, "Venice Days" and "Critics' Week." The former were created in 2004 as an event on the fringe of the Festival organized by ANAC — the association of Italian film directors — and modeled after Cannes Film Festival's "Directors Fortnight." The latter was another event independent from the Festival that included a selection of first-time film directors' full-length movies from all over the world. In contrast to the three screening rooms for buyers' screenings this year, last year there was only one screening venue, in addition to the digital video library.



However, Diot emphasized that VFM's growth was not a big issue for him, since he doesn't envision the market ever becoming a trade show with many exhibiting companies. His focus is mainly to create a productive networking environment that gives access to promotion as well as financing and co-production opportunities to small and medium-sized projects.

Also new this year was www.venicefilmmarket.com, an online business platform for movie executives that facilitated their access to VFM screenings, the industry club, the digital video library, as well as promo reels and seminars.

Diot also mentioned that for the "Final Cut" project, which he inherited from the San Sebastian Film Festival when the Basque event ran out of money and asked Venice to take over, out of 12 works in progress submitted, three were selected and awarded 150,000 euro each from the Venice Biennale — the parent organization of the Festival — in order to be completed. "Final Cut" is a project in synergy with the Dubai Film Fest in the UAE (which Diot also directs), in the sense that films-in-progress that don't make the "Final Cut" will become part of a circuit that could help them find money through Biennale's affiliated organizations such as New York's Independent Filmmaker Project and the Dubai Film Festival, among others. **MG** 



Studio Universal's Minions Jerry and Jorge on the lagoon



Villa Miramare, RAI Cinema's headquarters for both the Festival and VFM



2013 WINNERS

SPECIAL PRIZE OF THE PRESIDENT OF THE ITALIAN REPUBLIC

Real Stories: Bride of Krishna
(YLE, Finland)

RADIO MUSIC

COMPOSED WORK:

A Feast For The Ears - A Sonic Approach to Gastronomy
(SRF, France)

WORK ABOUT MUSIC:

The Signature Series
(CBC/SRC, Canada)

TV PERFORMING ARTS

PERFORMING ARTS:

Matthew Bourne's Christmas
(CH4, U.K.)

MUSIC AND ARTS DOCUMENTARIES:

Bloody Daughter
(SRG SSR, Switzerland)

SPECIAL PRIZE

MILANO EXPO 2015

FEEDING THE PLANET, ENERGY FOR LIFE

PRIZE FOR TV BROADCASTERS

WHICH ARE ALREADY PRIX ITALIA MEMBERS:

Regreening The Desert
(NPO, The Netherlands)

PRICE FOR TV BROADCASTERS

WHICH ARE NOT YET PRIX ITALIA MEMBERS:

Soil Pollution In The Jordan Valley
(JRTV, Jordan)

RADIO DOCUMENTARIES

OVERALL QUALITY:

Let Us Remember The Joola - The Ship's Last Journey
(SRF, France)

EXTRAORDINARY ORIGINALITY

AND/OR INNOVATION:

Tim Key and Gogol's Overcoat
(BBC, U.K.)

TV DOCUMENTARIES

CULTURAL AND GENERAL INTEREST:

Africa-Kalahari
(BBC, U.K.)

CURRENT AFFAIRS:

22.07 - The Eyewitnesses
(NRK, Norway)

SIGNIS SPECIAL PRIZE:

Burning Bush
(HBOE, Pan-European Broadcasters)

WEB

INTERACTIVE WEBSITES LINKED TO A RADIO OR TV PROGRAM:

The Big Election Plea
(VRT, Belgium)

NEW CONTENT AND TECHNOLOGIES FOR MULTI-SCREEN TV:

BBC Digital Olympics
(BBC, U.K.)

SPECIAL PRIZE

FOR THE BEST MULTIMEDIA SECTION WITH CULTURAL CONTENT

MULTIMEDIA SECTIONS OF NEWSPAPERS, MAGAZINES AND NEWS AGENCIES:

www.wired.it
(Wired, Italy)

MULTIMEDIA SECTIONS POSTED ONLINE BY PRODUCERS OF ARTISTIC AND CULTURAL SUBJECTS (WEBTV AND WEBRADIO) WITH CONSTANT/ON DEMAND AUDIO AND VIDEO FEEDS:

www.piccoloteatro.tv
(Piccolo Teatro di Milano, Italy)

SPECIAL PRIZE STUDENTS' JURY

TV MOVIES AND MINISERIES:

Burning Bush
(HBOE, Pan-European Broadcasters)

SERIES AND SERIALS:

Real Humans
(SVT, Sweden)

RADIO DRAMA

ORIGINAL DRAMA:

Bermuda Square. Reading a Non Staged Play
(RTR, Russia)

ADAPTED DRAMA:

Nineteen Eighty-Four
(BBC, U.K.)

TV DRAMA

TV MOVIES AND MINISERIES:

And Then I Killed Him
(RTP, Portugal)

SERIES AND SERIALS:

Real Humans
(SVT, Sweden)



THE TREE OF IDEAS

TURIN

21st-26th

SEPTEMBER

2013

65 YEARS
OF CULTURE
IN RADIO,
TELEVISION
AND WEB

www.prixitalia.rai.it
prixitalia@rai.it

Rai World

Plenty of Programs For Sale, But Time is in Short Supply

Not that MIPCOM needs enhancements for its success — since its relevance is guaranteed by its fortunate place in the calendar year, when new TV shows are premiered throughout the world — but organizer Reed MIDEM is not taking any chances. The October 7-10 Cannes event is loaded with conferences, seminars, workshops, keynote speeches, general screenings, premieres, award ceremonies and even an honored country.

Lest we forget that MIPCOM's *raison d'être* is the business of selling and buying film and TV programs, we'll once again see army-style multi-million dollar barracks erected by the major U.S. TV studios with entrances protected by security guards, where buyers' tight meeting schedules are met with military precision either in private rooms or in a large, crowded cafeteria with plenty of servers in place.

While stands at the Palais des Festivals and the surrounding beach areas are being set up for MIPCOM, producers and distributors in the challenging business of children's programming will meet with buyers at the Carlton Hotel from October 5-6 for MIPJunior, and will stay on throughout MIPCOM.

For those who can take some time off from sales meetings, Reed MIDEM has prepared a daily MIPCOM schedule full of events — 70 to be exact — scattered across the four-day market. With 28 events, Tuesday is the busiest day, followed by Monday, which features keynotes by FremantleMedia's Cécile Frot-Coutaz and Amazon Studios' Roy Price, among others. Tuesday will feature Punit Goenka of India's Zee Enterprises, while on Wednesday, DreamWorks' CEO Jeffrey Katzenberg will be honored at the Carlton Hotel with the MIPCOM 2013 Personality of the Year Award after his keynote presentation at the Palais.

As the Country of Honor, Argentina will be in the spotlight on Monday and Tuesday with multiple seminars. Argentina is also the theme of the opening party.

Over the years, MIPCOM has become a magnet not only for program buyers and sellers, but also for European organizers of television events that hope to attract Cannes-bound participants. The strength of the market is also measured by the number of film-TV trade shows held pre-MIPCOM, which begin in Venice in September, followed by Toronto, then Le Rendez-Vous in Biarritz, France; Prix Italia in Turin, Italy and the *Jornadas* in Buenos Aires. Post-MIPCOM we have SPORTELMonaco in Monte Carlo and the AFM in Santa Monica, California. A busy travel calendar for buyers and sellers alike.

In comparison, the only event orbiting around MIP-TV — MIPCOM's companion market in April — is the L.A. Screenings in Los Angeles.

"MIPCOM has always been a strong market" for Breakthrough Entertainment, according to Nat Abraham, president of Distribution, especially due to the focus on kids' programming that begins with MIPJunior. He added, "We imagine that there will be even more buyers in attendance as quite a few decided to forgo MIP-TV...and only attend MIPCOM. Also, by the time MIPCOM



Reed MIDEM's Laurine Garaude

comes around, buyers have a better sense of what time-slots they need to fill for their 2014 and even 2015 slate."

MIPCOM is the "most important market of the year for our sales in Europe and Asia," said Melissa Pillow, Sales director, Europe for Telemundo Internacional.

Indeed, Reed MIDEM is expecting this edition to be upbeat, with well over 13,000 attendees. Laurine Garaude, director of Reed MIDEM's Television Division, noted, "all the trends are up, and the exhibition area is sold out, including a new exhibition space outside the Palais called Croisette Village."

In September, Garaude counted registration from "Over 4,500 buyers, of which we already have close to 800 digital buyers, including all the large platforms such as Amazon, Netflix, YouTube, Yahoo!, Google and more from around the world." She added that there is significant growth from Asia, especially China, Japan, India and Thailand, as well as Africa, with new pavilions from Nigeria and South Africa.

Some companies said they will have a larger presence this time around. "Our team has expanded since the last market and we will be represented by our largest delegation to date," said Tricon Films & Television's Lia Dolente, director of International Sales. The same goes for 9 Story Entertainment, as the company's distribution division "doubled in size since last year," due to 9 Story's acquisition of CCI Entertainment's kids and family catalog, said managing director Natalie Osborne.

Telemundo's Pillow also noted that its delegation has grown: "In addition to the executives that manage Latin America, Europe, Asia and Africa, we will also have with us our new Formats manager as well as our Sales coordinator for Europe. Having a team member exclusively dedicated to formats is now essential with the upsurge of new business."

Starz Media's EVP of Worldwide Distribution Gene George noted that "The sales team is the same count," but in anticipation of strong interest

in its newest original series, *Black Sails*, which is being presented for the first time at this market, "Starz will have several others in attendance from other parts of the company." On Monday, October 7, the company will host a world premiere screening for select buyers.

The overall theme of MIPCOM '13 is "The New Golden Age of Television," and according to Garaude, the theme has many dimensions, including "the increasing links between film and TV, which are showcased in the conference titled, 'TV: Film's New El Dorado,'" she said.

The growing connection between TV and film will be highlighted through the presence of many AFM members and various keynotes, and is no more prominent than in this year's Personality of the Year, Jeffrey Katzenberg. "Jeffrey Katzenberg's outstanding impact on the entertainment industry is internationally recognized and DreamWorks' recent groundbreaking deals with companies including Netflix and Super RTL, and the studio's continuing expansion into the television world, all demonstrate his clear vision of the future of entertainment. We're very honored to welcome him to MIPCOM," Garaude said.

MIPCOM is hosting Argentina as the 2013 Country of Honor in partnership with the Argentine Film Board (INCAA) "to give delegates the chance to discover the wealth of creativity and talent from the country and to promote content from Argentina on the world stage," she said.

Argentinean companies are hoping to capitalize on the recognition their country is receiving, with Telefe International's International Business director, Claudio Ipolitti, saying, "We have excellent expectations because Argentina was chosen as guest country, and it is a great added value compared to previous years."

Patrick Elmendorff, managing director of Germany's Studio 100 Media, is enthusiastic about their stand, which is "themed specifically for a brand new show launching at MIPCOM," so he's "anticipating increased stand visitors including our loyal clients, potential new clients and interested parties."

Plus, Power's head of Sales Planning and Operations, Andrew Whiteman, said the company is "unveiling a new look," and is enthusiastic about its new period drama, *New Worlds*, as well as new factual titles.

A+E Networks' managing director of International Content Distribution, Marielle Zuccarelli, noted that the company will launch "32 new series, 20 returning hits and 24 films" in Cannes. She also noted that the company's format business "has been a major focus this year" and will continue to be key at MIPCOM '13.

Buyer Kayo Washio, head of the L.A. office of Japan's WOWOW, said she is looking for series, miniseries, documentaries, short content for websites and more. She typically looks for dramas, noting, "American comedies, as well as genres including zombies and vampires, have not caught on with the Japanese audience. WOWOW mainly buys from the U.S., the U.K., France and Germany." **SA**



GREAT CINEMA
IS MOVING IN
WITH YOU.

MEDIASET
PREMIUM

GREAT AMERICAN CINEMA IN YOUR HOME 24/7.

Action, comedy, thriller, science-fiction, horror and western. With interviews, behind the scenes and exclusive specials. Stars and Stripes cinema has never been so close to home.

www.studiouniversal.it

STUDIO
UNIVERSAL
THE MOVIE CHANNEL
FROM THE MOVIE MAKERS

Movie Market Moves to Digital Sales in Mature Territories, Theatrical in Emerging Ones

About a month from today, some 8,000 film and TV executives from around the world (many of whom are in Cannes for MIPCOM) will converge on the west coast of the U.S. in Santa Monica, California for the American Film Market (AFM). It will be held November 6-13 at the usual venue, the Loews Santa Monica Beach Hotel.

The AFM, organized by the Los Angeles-based Independent Film and Television Alliance (IFTA), is evolving from a theatrical-focused market into a digital video trade show with movie rights sold to subscription-based sales and transactional platforms, perhaps with embedded entertainment as the new *Dulcinea*.

To anticipate what to expect at AFM '13, *VideoAge* caught up with exhibitors and the organizer to find out what they're hoping to see in Santa Monica.

In early September, attendance figures were shaping up to be comparable to last year, with registration pacing "about the same...maybe up one to three percent," according to Jonathan Wolf, EVP and managing director of the American Film Market. As far as territories at the forefront of registration, Wolf noted that he is continuing to see increases from China as the "number of theaters being built around the country is growing, as is their GDP."

One quality that makes AFM unique as compared to film festivals such as those in Cannes and Berlin, said Imagination Worldwide's president and CEO Larry Goebel, is that "there aren't a lot of distractions. It's very focused on the business side of the industry." He added that IFTA is always on the cutting edge of changes: "AFM will evolve as the market evolves, so it'll remain an attractive spot for buyers and sellers to get together." That's one thing everyone is hoping won't change.

"We expect AFM 2013 to be a very exciting turning point for the Movies division of



Breakthrough Entertainment's Marina Cordoni

Breakthrough Entertainment," said Marina Cordoni, VP of Movies. The company is enthusiastic about launching the premiere of its two biggest movies to date, *Cas and Dylan* and *I'll Follow You Down*.

Vanessa Shapiro, EVP of Sales for MarVista Entertainment, said AFM has been "pretty consistent in delivering the same level of buyers, but of course we always hope more people will attend, especially the Europeans." And, she added, "It's a good market for acquisitions and potential co-productions with the many producers that attend."

Starz Media's EVP of Worldwide Distribution, Gene George, finds that "AFM is a valuable opportunity to meet distributors and buyers for the DVD/home video portion of our business." He explained that his company's "presence at the AFM continues to be primarily geared to licensing TV content. We have long recognized that the AFM is generally targeted to all-rights distributors of theatricals." However, he added, "There is no question that more TV and digital sales are being done at the AFM, but this market [still] gives content suppliers the opportunity to screen new product and also pre-sell upcoming major theatrical movies."

Similarly, Cordoni of Breakthrough has "always experienced it as an 'all-rights' market, with many broadcasters in attendance," she said.

MarVista's Shapiro concurred, saying that her company in particular meets with a good number of all-rights buyers, "more so than at MIP or MIPCOM. To date, we haven't seen it as a digital market, and while we acknowledge that there may be more digital companies attending, for us it is still more of a TV and DVD market," she said.

Yet, Imagination Worldwide's Goebel pointed out that there is a "continued movement toward digital distribution — we've seen it coming for a long time — but parts of the world outside North America haven't grown as fast, and so far the digital market hasn't been able to make up for the

decline of DVD sales," Goebel said. "Television is different. A lot of the spots that broadcasters used to have on their schedules for feature films have been replaced by reality shows and low-cost non-scripted shows. So the indie filmmakers, investors and sales companies are facing a new world out there that we are all trying to figure out how to approach." He added, "The movement toward mobile devices and away from the original source of TV is exciting."

Multicom's Irv Holender agreed that the AFM is becoming "more and more digital...since most of the content is exposed earlier in the year with all of the other markets" He is hoping the upcoming event will be even more successful than last year "with the increase in digital outlets."

Although the dates of the AFM have moved out of October and into November to be spaced further away from MIPCOM, the markets may still be too close on the calendar for comfort, with the 2014 event scheduled to begin November 5, the 2015 event starting on November 4, the 2016 event on November 2 and the 2017 event on November 1. Yet, the close proximity of the two markets on the calendar doesn't seem to be a concern for most participants because, as Multicom's Holender said, "Many MIPCOM attendees do not attend AFM."

Breakthrough's Cordoni noted that, "Although there is some crossover, I do believe there are diverse buyers at these markets as well, with specific budgets for movie acquisitions."

Likewise, Shapiro of MarVista said the overlap is small and doesn't have a negative impact on business accomplished at AFM. "There are a lot of new clients that come to AFM, especially Asian clients who don't typically attend MIPCOM. We also meet with the U.S. DVD and digital companies that don't attend MIPCOM due to the distance," she said. Shapiro also pointed out some advantages for exhibitors who attend both the AFM and MIPCOM: "One big positive for us is that between the two markets, we cover the whole spectrum of buyers. Plus, we have the potential to close deals with buyers who we met at MIPCOM."

Imagination Worldwide's Goebel agreed that overlapping buyers are not a problem: "The marketplace is populated with savvy, experienced buyers; this isn't their first trip down the road. They've learned to work within whatever financial parameters they've been given. I'm not concerned that people have run out of money with MIPCOM in October and AFM in November. It's not really a calendar concern," he said.

Wolf offered a clearer idea of just how much MIPCOM and AFM overlap. "If we look at MIPCOM exhibitors, probably 20-25 percent are also at AFM," he said. "In terms of buyers the number is around that, or slightly less." As far as general attendees, including producers, financiers and film commissioners, Wolf explained that less than five percent of those who attend AFM also attend MIPCOM because AFM focuses on long-form, and producers and writers of long-form

(Continued on Page 54)



Gene George of Starz Media



Screener



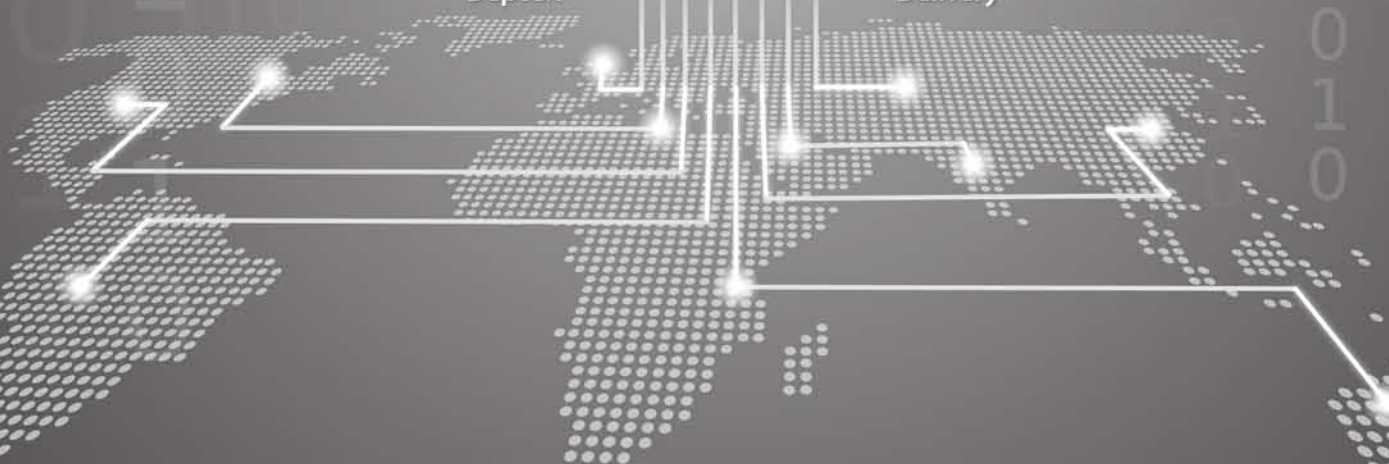
Transcoding



Deposit



Delivery



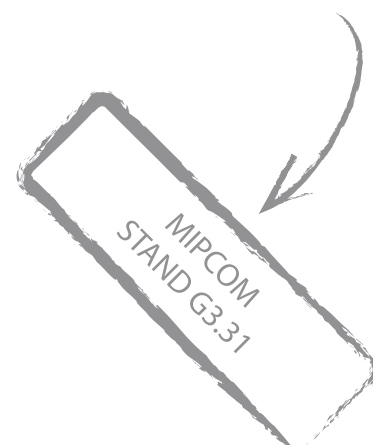
Swiss Precision in Digital Distribution

A Revolutionary Approach to Cloud-based Media Asset Management



WCPMedia Services

www.wcpmediaservices.com



Miami is Perth's Path for LATAM TV Sales & More

By Sara Alessi

Even though NATPE is three months away and we're all getting down to business in Cannes, the international television distribution industry is always looking toward future sales paths. So, *VideoAge* caught up with the organizers of NATPE and key Latin exhibitors to find out what they're expecting for the Miami event next year, and whether there are any aspects they hope will improve in 2014. NATPE will return to the Fontainebleau from January 27-29, hopefully with many past challenges resolved and/or ameliorated.

Last month, Rod Perth, president and CEO of NATPE, said that although he wanted to be cautious about numbers, attendance was "pacing ahead in an overall sense," adding, "our buyer count is three times greater than it was last year. But, it's early," he cautioned.

Timing is key for NATPE, which rings in the new calendar year and leads the way for Latin American TV acquisition budgets. "NATPE is... our first opportunity of the year to meet and greet our clients from Latin America. There is no doubt of the importance of this international market," said Venevision International's VP of Sales, Cesar Diaz. "It's the kick-starter for the rest of the conventions to follow. What's more, NATPE is a good indicator of the financial outlook of not only our Latin American clients, but of the state of the industry in the region, as well," he added.

"One of the great advantages is that NATPE brings together the majority of the Latin American community, plus it enjoys a tremendous turnout by clients from the United States," Diaz said.

Similarly, Pedro Leda, chairman of Ledafilms, noted, "NATPE has proven to be a great meeting place where every year we have the chance to meet our Latin American pay-TV, free-TV and now digital platform clients." He added "even though Ledafilms has four people touring Latin America all year round, it's always good to meet the buyers once more and review pending matters or new projects." He is looking forward to an even more vibrant market than last year, especially "since the development of the VoD business brought a lot of new players to the market."

"NATPE continues to be an important market for our businesses around the world, especially in Latin America," said Marielle Zuccarelli, managing director of International Content Distribution for A+E Networks. "It is the first international market of the year and a significant platform to launch new programming and reach Latin American buyers who do not attend MIP-TV or MIPCOM. NATPE is also becoming an important trade show for our European and Canadian partners, and allows us to catch up with our clients shortly after MIPCOM," she said.

Esperanza Garay, SVP of Sales and Acquisitions for Latin America at Telemundo Internacional, is looking forward to a "fruitful market" and acknowledges that "the fact that it is in Miami has facilitated access for Latin American clients to attend the convention. Their attendance at NATPE is the highest compared to other events." The location also makes it easier for exhibitors who are based in Miami, as Garay noted that this "strengthens our marketing and public relations efforts."

Venevision's Diaz concurred that the locale

is vital to the market's success: "the city of Miami has also contributed...with its ambiance, glamour and strategic location being a preferred destination of our Latin clients."

According to Perth, NATPE is "no longer simply a buying and selling marketplace; we're far more than that. We go far deeper. It's where new deals begin and new relationships begin, reaching across each of the sectors of the business that make up this rapidly changing environment."

He elaborated, "In an overall sense, NATPE is first and foremost a market, but our definition of a market today is very different from what it has been in the past. We're a market of deal making, where people connect and begin making deals. But we're also a market of important influences from every sector that is important to the business in a holistic way. And it's no longer just program producers and program buyers. Now it's program producers, it's new platforms — everything from traditional platforms to emerging platforms, to VoD to mobile, etc. It's the world of digital, and I've repeatedly said since I arrived [at NATPE], that NATPE is the bridge between the linear community and the digital community."

Plus, the NATPE organization is well-liked among exhibitors. Ledafilms' Leda has found that "The NATPE team is extremely diligent and helpful," and A+E's Zuccarrelli noted that "NATPE did a great job growing the international attendance; we very much look forward to exhibiting at the next one."

Yet, exhibitors did point to some aspects of the market they hope to see addressed this time around or at future events.

"The primary concern from both a buyer's and seller's perspective, since the day the convention moved to the Fontainebleau, has been the elevator situation at the Tresor Tower...This issue has 'toned down' any other major complaints," said Venevision's Diaz. But he was quick to point out that, "most importantly, we have seen how the organizers have taken the necessary measures to alleviate the congestion at the elevators," though he added, "nevertheless, it remains an issue, especially when attendees are factoring in the time it will take them to get from one appointment to the next."

Diaz also mentioned that a "second major issue, particularly for Venevision, has been the lack of guaranteed space at the Tresor Tower, [which is] structured as condos." This means exhibitors must rely on the owners to agree to rent out their units for the market. "This past year, one of our usual suites was occupied by its residents, which made for some maneuvering by our sales staff, and put restrictions and limitations on the use of the adjoining suite," but he added that fortunately, "the residents were very accommodating."

NATPE's Perth is aware of this situation and noted that "there are certain realities with the Fontainebleau, and condo ownership is one of those. So we are clear with everyone involved, and we tell our exhibitors that if one option doesn't work, we'll work very hard to find a solution."

Perth also noted that exhibitors would be fairly evenly distributed among the various towers at the hotel. Although there would be "no extension into the Eden Roc for exhibition this year, it's a possibility in the future, and if we keep pacing



Venevision's Cesar Diaz

the way we're pacing [in terms of attendance], it's increasingly a possibility," he said.

Venevision's Diaz acknowledged that there aren't "any clear-cut solutions" since the issues he mentioned are logistical problems, "consequent to the limitations of the actual venue." He said, "The 'simple' solution would be to find another venue around the city, but I'm sure NATPE has done its homework, and there's no apparent substitute in sight. What's more, a new venue is sure to present a new set of issues." He also added that heading into the fourth edition in Miami, he is "confident the NATPE organization is already addressing" past issues.

Telemundo's Garay said hours of operation (Monday 10a.m.-6p.m., Tuesday 9a.m.-6p.m., Wednesday 9a.m.-4p.m.) may also need to be addressed. "Due to the short duration of the event, which is three days, and due to the massive attendance of all our Latin American clients, we do not get to attend to them in the way we wish we could," said Garay. "We would like people to have full access to the suites from 8 in the morning until half past 6 in the evening." She added, "We are optimistic that there is room to improve this, as NATPE always has the best will and intention to address and solve the challenges we've faced. An example of this is that the convention substantially improves each year," Garay said.

True to NATPE's reputation for listening to and working with the requests of its participants, Perth said in an interview that though he was not previously aware of some exhibitors' desire for extended exhibition hours, "I want to follow up on the suggestion. I want to be responsive, as we always are, to what the people who pay to come to the event think would help improve it."

Perth said the theme this year is, "No Barriers... New Business," which reflects our objective to create a big-tent for the linear and digital communities, as well as advertisers and brands who keep all of us in business. We produce the market and conference that breaks down the walls, sets new expectations and possibilities, and creates the environment where deals get done across every platform. ■

THE BRAVE ONES



Booth
#20.18

PALAIS DES FESTIVALS, Cannes, France (7-10 October)

artear

ARTEAR ARGENTINA
INTERNATIONAL SALES DEPARTMENT
sales@artearinternacional.com.ar
Ph : (5411) 4339 1518 * Fax : (5411) 4370 1403
www.artear.com

Sports TV Content Biz Prepares For Busy Game Plays

If MIPCOM participants get excited about drama, in Monte Carlo, just 37 km east of Cannes, SPORTELMonaco attendees get ecstatic about sports, especially in view of Brazil's 2014 World Cup and the upcoming 2016 Summer Olympics.

Though international TV rights to those events were sold long ago, the many TV programs related to those events — and the issues brought on by those events — are still important to SPORTELMonaco attendees.

In March, SPORTELMonaco organizers touched on these issues head-on with the second edition of SPORTELRio. And the SPORTELMonaco exhibition and conference, which will be held October 14-17, will include a presentation by FIFA, the international football governing body that organizes the World Cup.

But there are also other issues to be addressed, like the increasing costs of subscription television due to a growing number of sports channels. Reportedly, this year alone sports fees paid by U.S. subscription TV companies will increase by 12 percent to \$17 billion. Subscribers who are not sports fans are likely to start cord-cutting, causing service companies to increase subscription fees, and thus igniting a vicious circle.

As usual SPORTELMonaco will have three parts — a market attended by decision makers across the sports content industry; a series of international conferences and expert panels, and the Golden Podium Awards Ceremony, which recognizes the best sports TV images of the year.

Some 90 exhibitors, a few coming from MIPCOM, will set up their booths on levels 0 and 1 of the Grimaldi Forum Convention Center in Monte Carlo.

The majority of attendees at SPORTELMonaco are representatives from broadcast, television networks and cable companies. About 70 percent are from Europe; and North America has the second-largest contingent. According to organizers, the United Kingdom will also be well represented and Asia is growing. Confirmed exhibitors include Globo TV Sports, NBA, ESPN, BBC, RAI and Eurosport.

"I am happy to say that, at this time and compared to last year's registration at the same time, we are 10 percent above 2012. We expect



A view of the floor at SPORTELMonaco

to welcome at least 2,600 participants from all over the world," said Amparo Di Fede, general manager of SPORTELMonaco.

For the first time, Germany's DFL Sports Enterprises GmbH and SPORTELMonaco have signed a long-term partnership, which will see DFL enhance the presence of its brand and content at the next three SPORTELMonaco markets.

This year, a special conference on Monday, October 14 entitled "Second Screen: The Big Game," a collaboration with the Associated Press, will explore how the second screen has affected the way viewers interact with sports programming. That conference follows one entitled "FIFA World Cup TV & Multimedia — Getting Ready for the Greatest Show on Earth."

"We will have one session about 4K technology and an expert panel in collaboration with Sports Video Group entitled 'Understanding the TV Anywhere Market: What Fans Want and How You Can Give it to Them.' I expect these two sessions to be the most popular this year," said Di Fede. "Also, The International Symposium will examine the evolving and dynamic relationship between major sporting event broadcasters and the new technologies that are providing viewers with more value than ever before."

From this year on, an official Conference Room in the Diaghilev Exhibition Hall of the Grimaldi Forum will play host to all official conference events, expert panels and meetings.

"Due to the tremendous interest from the industry and early registrations, we have taken the time to reorganize our venues," said Di Fede. "We were able to create a nice flow in both venues with more visibility for exhibitors. Further, we specifically have improved the layout of the Diaghilev venue with more and new exhibitors and have moved the conference room into that venue, concentrating all interaction on two floors only. Every day we will offer free coffee breaks and a lunch buffet in the Diaghilev venue. In the evenings we invite all participants to a get together at our daily happy hour from 6-7p.m."

Mitchell Mortaza of the Vegas-based Legends Football League (formerly the Lingerie Football League), an all-female American league, said his company exhibited at SPORTELMonaco for the first time last year. "Our first and only SPORTELMonaco exhibition was incredibly successful as we acquired several new

broadcasters. We were scheduled in back-to-back meetings each of the three days we attended."

Nathan Leong, head of Television at the London-based Audio Network, a production music company for TV and film, said that their meeting schedules were so jam-packed the first time they attended SPORTELMonaco two years ago that they upped their presence and investment for the second year and took their own meeting space. This year — their third at the market — the company will return to a stand in the "increasingly popular — and busy — Diaghilev Hall." The company will also attend MIPCOM.

By attending SPORTELMonaco again this year, Mortaza hopes to "further our international television distribution and establish the LFL as a credible sports franchise alongside the other major American sports exhibiting such as WWE, NFL and UFC." At the market, "Our team meets with the heads of programming and acquisition from broadcasters all over the world," he said. His company does not attend MIPCOM.

"SPORTELMonaco is vital for Audio Network because of the nature of sports programming — it travels and music travels with it," said Leong. "Having music that is cleared for worldwide, multi-platform distribution off the bat means there is one less worry for distributors and broadcasters. Attendees of SPORTELMonaco understand that rights and distribution are really important," he said.

And, he added, "Audio Network already counts Perform Group, MP & Silva, Sky Sports, UEFA and Eurosport (among many others) as clients. SPORTELMonaco has also opened up relationships with the likes of Dream Team TV, ACB, Quattro Media, Youthstream Media and some that cannot yet be announced, who have all been signed as a result of the event." It's for this reason that "SPORTELMonaco continues to be one of the most important events on the calendar for Audio Network. As long as there are companies selling sports programming around the world and needing music for that production, Audio Network will be on hand," Leong said.

We asked Mortaza to pinpoint how specifically SPORTELMonaco organizers can continue to keep the event relevant and he said that among other things, they should "keep the show affordable for up and coming sports properties such as the LFL." 🇮🇹



A judo demonstration put on by the International Judo Federation at SPORTELMonaco 2012



Last year's Golden Podium Awards

Total Beauty. Total Drama. Total Rivalry.

TOTAL DIVAS™

From the producers of *WWE Raw*, *SmackDown* and *Main Event*

TOTAL DIVAS SHOWCASES ALL OF THE DRAMA OF CELEBRITY LIFE INSIDE THE RING - AND OUT OF IT. Being a WWE Diva means constant conflict and intrigue, and viewers get a behind-the-scenes look at every part of it: friends and enemies on the road, family back home, and male suitors at every turn. With a diverse cast full of unique personalities, the series is both aspirational and relatable to a wide range of viewers.

TOTAL DIVAS also features backstage footage from *Monday Night Raw* as well as the iconic pop-culture extravaganza *WrestleMania*, providing insider access that no other television series has ever shown.

THERE IS NO SERIES ON THE AIR THAT CAN RIVAL THE CHARM, BEAUTY AND DRAMA THAT TOTAL DIVAS DELIVERS!

SEASON 1: FOURTEEN 1-HOUR EPISODES



VISIT US AT BOOTH R31.37

(Continued from Cover)

American-born Don Taffner Jr. grew up in this business — his father was a pioneer and legend of the early international television business (even though he didn't like *VideoAge*, erroneously thinking that it caused the demise of the old-timers' favorite *TV/RadioAge*) — and so the chairman of the U.K.'s DLT Raydar Rights has seen it develop over a long period of time. And he wasn't shy about sharing: "The thing I dislike about the modern business is the way it is now all about numbers; creative people are being replaced by widget sellers. Once people running the channels were all creative; people who had grown up making programs." Taffner lamented the fact that "now, channels are increasingly run by people who have grown up counting the cost of making programs."

He also believes that, "this change can be seen at markets such as MIP and MIPCOM. In the 1980s you would have meetings that lasted, possibly, up to an hour. And, more importantly, people made decisions — they agreed to deals. Now meetings are much shorter and the best you can hope for is that the buyer will go home and ask Business Affairs if they can do the deal they want to."

Paul Heaney, managing director of the U.K.'s TCB Rights, also shared this observation. "So much of what you hear at a market like MIPCOM is just talk. You come out of a meeting thinking you have a deal and weeks later you discover that you don't — and you never did," Heaney noted. He also said, "knowing what is for real and what isn't is down to the sales person, their understanding of the market, their instinct and their personal relationship with the buyer. But the truth is that a lot of people wearing 'buyers' badges' are really just squirrels — all they really do is run around collecting nuggets of information on what is available and on what sort of terms."

Like Taffner, Heaney also sees negative consequences to these developments. "For one thing, channels will increasingly buy shows for the wrong reasons — because they have the right number of episodes or the deal is better — rather than doing as they should and just buying the best show."

Heaney believes that these observations are, "just another way of saying that, in common with many other businesses, this is a business that is becoming increasingly risk averse." And while



Don Taffner Jr., chairman of the U.K.'s DLT Raydar Rights

he readily understands that, "if you are spending a lot of someone else's money then you want to make as sure as possible that you are going to make the right decision," like Taffner, he also sees long-term consequences for the business.

For Heaney another problem is, "a real narrowing of the product range." As he observed, "there was a time when you could say that certain programs would sell well in certain parts of the world and not in others. Now, once a format is successful everyone wants the same thing."

Someone whose job it is to produce "the next big thing" — in children's programming at least — is Russell Dever, managing director of 1461 Productions, whose big pet peeve comes in the form of "people who are set in positions above us mere mortals, and yet hold our livelihoods in their often inexperienced hands."

Dever has spent the last 16 years executive producing kids' animation, having previously worked in children's publishing, and, as he said, "it takes a lot of guts, and no small amount of skill, to look at a project, say yes 'This is the one. This has a chance in the Wild World of International Television. Is it cynical, but not too sugar coated either? It is playful, but educative; silly and yet compulsive and does it have the very best of slapstick set in the heart of great drama? The writer wants to take it one way, the storyboard artist another. You tell yourself 'this is studio life' and you carry on. You lavish the time and the money needed to develop the project to the point at which it is ready to be presented to the international television market. You live and breathe nothing else for six months. You risk your home, your life, you are mortgaged beyond your nostrils, but now, finally, you have a pilot to take to a broadcaster. You show them a wonderful clip of extraordinary CGI animation in glorious technicolor, leading into the full episode in storyboard form and they say... 'the colored bit is lovely, but I really didn't like that bit in black and white — but if you decide to do it in color, bring it back and I'll see what business affairs has to say.'"

Moving to North America, one concern on the minds of Canadian execs is that foreign-owned OTT services such as Netflix earn large revenues in this market, while making no contribution to the Canadian broadcasting system. Broadcasters

warn that Netflix and similar unregulated online services erode their customer base, while they are still required to air and invest in Canadian programming.

For independent cable and other services, there is a concern that a vertically integrated company such as Bell, which recently acquired Astral Media, might pay a premium for all rights for a title — from pay up and down, for an exclusive and lengthy period, in effect taking it out of the market.

For Steve Arroyave of Toronto-based Arrow Entertainment, "there are too many movies being produced and too many people that should not be making movies." Arroyave also doesn't like the fact that "studios control 80 percent of the market."

Moving south, Emilia Nuccio of Echo Bridge Entertainment lamented "the amount of time that is wasted in the process of selling," and those who tend to "dump their whole catalog at the buyers' feet, instead of presenting what they really could need."

Susan Bender of Bender Media Services Corp. dislikes "the arrogance of the 22-23-year-olds coming into the industry thinking they know everything, when in fact they know very little."

For John Cuddihy of NPN Media, the most annoying aspect of this industry is "the way international buyers are monopolized by the U.S. studios."

From Los Angeles, newly appointed EVP and general manager for Lightning Entertainment Ken DuBow said that "traveling is the miserable thing about this industry" and the fact that some "buyers stretch the acquisition process from market to market." Similarly, traveling is also the most annoying aspect for Herb Lazarus, president of Carsey-Werner International.

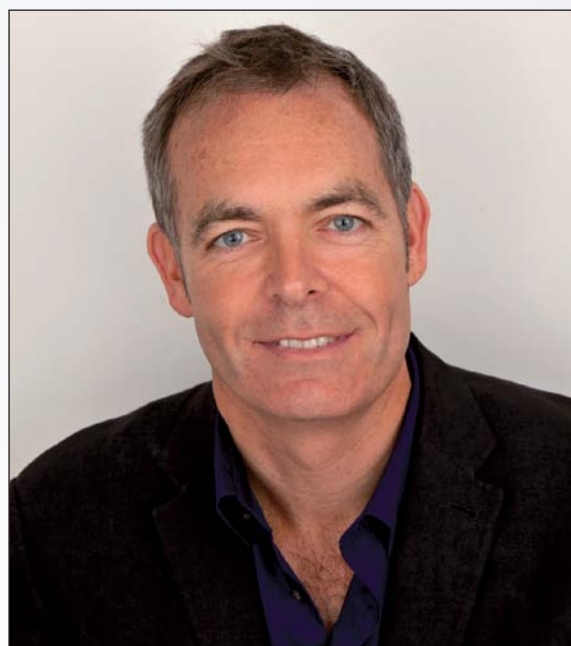
A studio executive confessed that the most annoying aspect of this industry is the lawyer who will do anything to slow down the sale process. At times, said the executive, especially when they fully trust the buyers, they complete the sale without involving the legal department, which could be problematic when the audits come in. But it's an unavoidable problem.

Consultant and former studio executive Gary Marenzi considers the "complexity of today's contracts," one of the aspects of the industry that he dislikes. The other is "the changing definition of rights."

Gary Lico of CABLEready said one relatively small thing that irks him is the tendency of market participants to ignore the need for personal space. "I'm not OCD, I'm not a germaphobe. Anyone who knows me knows I'm a hugging guy, but I think so many people these days aren't aware of their personal space. Sometimes I'll turn to the person I'm talking to when someone walks into me and ask 'When did I become invisible?' I've lost some weight, but I'm not invisible yet."

Lico said he's learned not to get annoyed when people are no-shows for market appointments. "In this day and age you can get a lot done while you're sitting and waiting."

But there's one thing that still annoys him. "If they have had bourbon at the bar — that irks me." 🇩🇪



Paul Heaney, managing director of the U.K.'s TCB Rights

WORLD
SPORTS
CONTENT MEDIA
CONVENTION
14-17 OCT 2013
www.sportelmonaco.com

Sportel
MONACO



With the support of



INTERNATIONAL
OLYMPIC
COMMITTEE

PRINCIPALITY
OF  MONACO

PLAYING A SPECIAL ROLE IN THE WORLD.

(Continued from Cover)

have slowed down due to a dwindling number of companies on the market that are desirable, these same mid-size and large companies are forced to show some growth by cost savings. As the saying goes: everything is for sale, but what's left to buy? Indeed, Chase Carey, president of 21st Century Fox, recently stated that his company's "priorities [are] building businesses, over buying them."

According to the New York City-based media investment bank JEGI, "The media, information, marketing, healthcare and technology sectors saw a healthy 708 transactions in the first half of 2013, roughly even in both volume and value with the first half of 2012," including the highly publicized sale of the *Boston Globe* and the *Washington Post*.

If 708 seems like a lot of mergers that you somehow missed, don't worry — most of them were, as the statement suggests, in areas that are not of interest to MIPCOM delegates. But there have been a few eye-catching mega mergers lately that will have implications for those of us gathered in Cannes.

Highlighting the shortage of media companies to be acquired is the drama that unfolded last July. After Sprint Nextel acquired Clearwire, the combined group was in turn acquired by Japan's SoftBank in a bid that involved Dish Network, which lost by offering more value at \$25.2 billion but less cash.

In the U.S. last March, Liberty Media spent \$2.62 billion to acquire 27.3 percent of St. Louis-based Charter Communications, but lost out trying to get Time Warner Cable involved while still courting the acquisition of New York-based Cablevision. Earlier this year, Charter paid \$1.625 billion for a Cablevision subsidiary, Bresnan Broadband, which provides video cable service to more than 300,000 customers in Colorado, Montana, Wyoming and Utah.

Recently, in line with its goal to become a TV platform, the online portal AOL purchased Adap.tv, a video advertising company, for \$405 million — a price that Wall Street considered too high.

In terms of programming, the mega merger list is headed by the takeover in Canada of Astral by Bell Media owner BCE for C\$3.4 billion. Approval of the deal, announced June 27, is conditional on the sale of seven French-language channels including Disney Junior, Historia, MusiquePlus, MusiMax, Series+, Teletoon and Teletoon Retro as well as five English-language channels including Cartoon Network, Disney XD, Teletoon, Teletoon Retro and The Family Channel.

Obviously this is an acquisition that will spin-off other acquisitions. Indeed, it is rumored that Corus Entertainment has already offered BCE just over C\$400 million for several of the niche channels including Teletoon, Cartoon Network, and Historia, as well as two of the 11 radio stations that BCE was required to sell off.

Approval of the deal also requires BCE subsidiary Bell Media to put C\$246.9 million into the creation of original Canadian content. This is C\$72 million more than the company had initially proposed. Of this money C\$175.4 million will be spent on television content and C\$71.5 on radio content.

This is the second attempt BCE has made to acquire Astral and its assets. The first proposal was rejected last autumn. The new merger plan had already been approved by Canada's Competition



MTG's EVP of Content and CEO Patrick Svensk

Bureau, which, said John Lawford, executive director and general counsel for the Vancouver-based Public Interest Advocacy Centre, "made it much harder for the [regulator] CRTC to reject the deal."

Earlier in the year, the world's largest cable company, measured by subscribers, was formed when John Malone's Liberty Global closed the £18 billion (U.S.\$28 billion) acquisition of U.K.'s Virgin Media, which, in addition to being a valuable addition to Liberty's existing stable of 11 cable companies, also places Malone head-to-head with Rupert Murdoch's BSkyB in the U.K.'s pay-TV market.

Malone's entry into the U.K. pay market represents the culmination of a long-held ambition. Virgin Media was formed in 2006 from the alliance of Virgin Mobile, U.S. Telco, NTL and U.K. Telco, Telewest. In 2002 Malone had tried to use his 24 percent stake in Telewest to force its merger with NTL, a move that was strongly resisted by the stockholders of the heavily indebted company.

Since gaining control of the U.K. cable business in 2006 Richard Branson has made the company profitable — but only after investing £13 billion (U.S.\$20 billion) in laying fiber optic cables in half of U.K. homes. And debt is still very much a part of this deal. Liberty Global plans to fund its cash element of the cash and shares offer by adding nearly £2 billion (U.S.\$3 billion) to the company's debt pile, taking it to U.S.\$39 billion — more than twice its annual revenues of U.S.\$17 billion. However, this prospect seems a little less eye-watering in view of the estimated 15 years of tax-free income Virgin Media and its new owners will enjoy as a result of write-offs on the investment already made in fiber optics.

In Germany, Vodafone has bid 7.7 billion euro (U.S.\$10.3 billion) for Kabel Deutschland, a cable operator that Liberty Global wanted to buy. Meanwhile, last August, Liberty was blocked from purchasing for 3.2 billion euro (U.S.\$4.3 billion) Kabel Baden-Württemberg, Germany's third-largest cable operator owned by Swedish

EQT Partners, by a state court in Düsseldorf. Liberty already owns Germany's second-largest cable operator, Unitymedia.

Earlier, at the end of July, the advertising world was in awe of the announcement of the U.S.\$35.1 billion merger of New York City-based Omnicom and Paris-based Publicis Groupe, creating the world's largest advertising firm, which will have a global work force of around 130,000 and will include such iconic advertising brands as Saatchi & Saatchi, Leo Burnett, TBWA, BBDO and Razorfish, among many others.

More directly related to the content business was the June announcement by Scandinavian production and distribution group Modern Times (MTG), that it had beaten off competition from Sky Vision to acquire a 92.4 percent stake in DRG, the British distributor which includes *The Inbetweeners* and *Don't Tell The Bride* in its catalog for a reported sum of £15 million (U.S.\$23 million). The deal saw DRG founder and former CEO Jeremy Fox returning to the company, while managing director Jonathan Jackson exited.

At the same time as the acquisition of DRG, Modern Times also announced its purchase, for an undisclosed sum, of a 51 percent stake in Norwegian production company Novemberfilm. Despite this announcement, the purchase of DRG is seen by many as representing a significant first step towards the realization of MTG's EVP of Content and CEO Patrick Svensk's long-held ambition to forge a strategic move into both the U.K. and the U.S.

Looking to the future, speculation was rife that ITV, the U.K.'s largest commercial broadcaster, was mulling a U.S.\$135 million bid for Finnish producer Nice Entertainment. Although ITV refused to comment, saying it, "never comments on speculation," the Helsinki-based company would indeed be a very nice (pun intended) acquisition, producing over 100 dramas and reality shows such as *Hidden Tracks*, *The Half Brother* and *Celebrity Babysitter*. It is also true that with profits at Nice jumping 35 percent to U.S.\$12.8 million this year, Finnish investment company Capman, which owns Nice, is said to be keen to sell. And ITV has been in a buying mood recently as chief executive Adam Crozier seeks to diversify its revenue streams away from its traditional dependence on advertising, while at the same time increasing its international base, thereby enabling it to better sell its shows internationally. Crozier's recent acquisitions include Gurney Productions, maker of *Duck Dynasty*; Thinkfactory Media, producer of *Hatfields and McCoy's*; and *Cake Boss* maker High Noon Entertainment — spending £53 million (U.S.\$81.5 million) in the first six months of this year alone.

From the appetite for acquisition shown by some companies looking to grow or diversify, it is unlikely that the M&A business will run out of steam any time soon. However, as Peggy Koenig, managing partner and co-CEO at investment house Abry recently commented, "the overheated credit markets are the most important factor impacting M&A, although it is easier to finance acquisitions, and at levels that can drive good equity returns, this has also translated into higher asset prices." **BJ**

(Written with reports from London, Toronto and New York City)

"THEIR HOUSE... MY RULES"



Entertainment for all



www.caracolinternacional.com

CARACOL TELEVISIÓN

AMERICA / EASTERN EUROPE / ASIA
TEL: +1 (305) 960 2018

WESTERN EUROPE / AFRICA / MIDDLE EAST
TEL: +34 670 214 935

sales@caracol.com.co

SONY PICTURES TELEVISION

MIAMI
TEL: +1 (305) 400 3000

MEXICO
TEL: +52 555 258 2799

ARGENTINA
TEL: +54 115 218 2230



www.sptlatinamericaproduction.com

©2013 Sony Pictures Television Inc. All Rights Reserved.

MIPCOM / STAND 13.21

(Continued from Cover)



Mark Kaner, president of 20th Century Fox Television Distribution and Marion Edwards, president of International TV Distribution

percent coming from advertising, 47 percent subscription fees and nine percent public funding. Considering that programming costs account for about 50 percent of total TV outlet income, we can safely assume that content represents at least a \$160 billion portion of that amount. As a point of reference, in the U.S., cable networks alone collectively spend over \$20 billion a year on programs.

Granted, the U.S. represents nearly 36 percent of the total global TV market, but Europe is not far behind with 30 percent, followed by Asia-Pacific (21 percent), LATAM (nearly nine percent) and MEA (nearly three percent).

In terms of TV/video rights exports, the U.S. generates an estimated \$20 billion a year, which, added to the U.S. domestic TV business, would bring the total TV content sales business to nearly \$70 billion a year. If we further consider that up to 70 percent of that business is controlled mostly by U.S. studios, some \$50 billion is shared among seven companies, for an average of \$7 billion each per year.

Recently, Chase Carey, president of 21st Century Fox, reported that in 2016 the company expects to generate \$9 billion, which would include its theatrical business.

That's a serious and rich TV business indeed, and given the numbers and the growth potential, the future could not be brighter. Only five countries absorb more than 58 percent of U.S. audiovisual exports (the U.K., Canada, Germany, Japan and France). Reportedly, the value of imported drama series for 119 European broadcasters alone across 21 countries reaches \$7 billion a year, or 15 percent of total programming investments, of which the U.S. takes at least 80 percent.

There are also emerging countries with large domestic TV markets such as Brazil (\$14.1 billion), China (\$11.3 billion) and India (\$6.9 billion) that are already big consumers of American movies (with India the fourth largest and China the seventh largest) with great growth potential for TV content.

The U.S. studios' economic power, though, has to match their financial power, considering that each episode of a drama picked up by an American broadcast TV network carries a deficit of at least \$2 million, which, for a 13-episode order, adds up to \$26 million. Multiply that by the 29 new dramas introduced this fall alone, the additional episodes to complete the season and the newly discovered summer original programming, and it is clear that only a studio system can finance production deficits to the tune of \$1.5 billion a year collectively.

Indeed, the U.S. television studios' business model is so unique that no other country has been able to duplicate or replicate it. Basically, this is because it doesn't make any business sense. Would any other TV industry in the world be willing or able to spend more than \$500 million a year on development to come up with shows that have up to an 80 percent failure rate? (In the view of a former top-level studio executive, the failure rate can indeed reach 80 percent, but the norm is just 20 percent, with large studios averaging close to 50-60 percent). And this is after having invested \$240 million to produce pilots (last May out of 98 pilots commissioned to the major six U.S. studios, about 50 were actually picked up), and accumulating the aforementioned estimated \$1.5 billion in deficit per year.

(Continued on Page 56)



Keith LeGoy, SPT president International Distribution, VideoAge's Dom Serafini, John Weiser, SPT president of U.S. Distribution

Movie Market Moves to Digital

(Continued from Page 44)

don't tend to find as much value in going to the Cannes event.

So what are buyers looking for at the AFM and what do exhibitors bring to the table? Buyers seem to have an appetite for action, horror, sci-fi and family films, according to Breakthrough's Cordoni, who added that this is, "outside of star power in any genre."

Multicom's Holender said that his company will bring to AFM any "features that may not be ready for MIPCOM."

However, according to Shapiro, MarVista launches "content at MIPCOM but not at AFM because AFM is so soon after. AFM is also a good opportunity to pre-sell new projects," she said. As far as territories go, Asian countries and the U.S. are high on MarVista's list.

"The U.S. market will be key for us this year as we launch our new movies and updates on new projects, including new in-house productions," Breakthrough's Cordoni said.

But exhibitors aren't just thinking about which territories to set their sights on. Reflecting on the industry, Imagination Worldwide's Goebel said, "the business continues to be challenging from a lot of different perspectives."

"Indie films are challenging," he said, because although buyers are looking for them, "there is a tremendous supply, and in some ways, if you focus on the DVD market, the buyers are getting more selective, so you have to be in the upper tier of quality and availability to continue to make sales," he said.

"It's affecting our acquisitions because I've already turned down two films that I would have probably acquired a year ago because I know that buyers are being more selective; it's causing us to be more selective," Goebel added. "What'll be interesting about the fall season at MIPCOM and AFM is whether or not there is still an oversupply and very selective demand from buyers, or whether it will start to balance out."

For Goebel, "The challenge going forward is the quality of the programming we have, and if we can increase that, we can increase the number of distributors that will be interested in our product."

IFTA's Wolf was enthusiastic about the fact that AFM is "continuing to build and add programs for the production community. AFM's core is buying and selling, importing and exporting. We provide every service these companies need to do that, and now we're expanding our programs. We launched the conference series in 2011, and we are enhancing our educational programs. Over the years, we will continue to add more," he said. **SA**

Additional information about programs at the 2013 AFM will be available in our special AFM issue in November.

MARVEL
AGENTS OF
S.H.I.E.L.D.

© 2013 ABC Studios & Marvel



Disney Media Distribution
Latin America

(Continued from Page 54)



Dennis Maguire, president Home Media Distribution, Paramount Pictures

Fortunately for the studios, to generate cash they can also collateralize their library for financial loans and monetize them with transactional revenue. Reportedly, a TV library loses an estimated 11.4 percent of its value from year two to 11, and 7.5 percent from year 12 to 21, after which depreciation virtually ceases.

Let's do the numbers: A studio produces for its own broadcast TV network (or others) a primetime drama carrying a \$2 million deficit per episode and takes a tax write-off on it. From that same show, the network grosses an average of \$7 million and nets \$5 million. The studio then recoups the deficit internationally (including the seven to 10 percent cost of doing business) and generates \$1 million per episode in re-runs (off-net) in domestic syndication. In effect, an hour-long drama costs a studio \$3 million, while generating revenues for the studio-broadcast group of \$9.5 million (\$7 million from the network, \$1.5 million internationally and \$1 million in syndication), bringing profits of \$6 million after deducting distribution, development and interest costs (less than that if producers' participation is involved).

With that rate of return, even at an 80 percent failure rate, the studio level alone will bring in a hefty 10 percent average ROI on an output per studio of 15 TV drama series per year. The sitcoms that succeed don't do well at the international level, but they're manna domestically. In effect, for the studios, content is a portfolio business.

And all this is within a four-year period, with a library value that continues to be monetized over the years and without considering digital, international channels, merchandising and other ancillary and transactional revenues.

Indeed, there is a science to this business model called "Ultimate," a technique unique to the U.S. studios whereby executives can figure out how much revenue will be generated by each movie title or TV series. Ultimates are updated monthly by the studios' financial people with fresh data from the sales force providing for more incisive forecasts. The Ultimates, together with other moneymaking rituals, like the networks' Upfronts (pre-sales of primetime broadcast TV



NBCUniversal: Ron Meyer, Belinda Menendez, Jeff Shell, Kevin MacLellan and Steve Burke

commercial air time) and the L.A. Screenings (Hollywood's showcase for new primetime TV series), make for the studios' well-oiled money grinding machines.

However, the U.S. studio moneymaking engine is its ubiquitous and omnipresent content distribution apparatus, which encompasses international, domestic distribution (the latter is often referred to as "syndication") and international cable and satellite TV channels that lately tend to fall under one executive, as is the case with Steve Mosko at Sony Pictures Television; Armando Nuñez at CBS Television Studios; Ben Pyne at Disney-ABC; Jeff Schlesinger at Warner Bros. Television and Dennis Maguire at Paramount Pictures. Only Fox and NBCUniversal remain under the traditionally separate domestic and international structures (see the executive roster sidebar on pg. 59).

Disney was the first to integrate program distribution. In 2007 the studio placed its many content distribution units under one group, "in order to speak with one voice, one vision and have one agenda," explained Ben Pyne, president of Global Distribution at Disney Media Networks.

At Sony Pictures, TV program distribution and



Janice Marinelli, president of Disney-ABC Domestic Television for U.S. and Canada



Steve Mosko, president of SPT, with the stars of Breaking Bad, Bryan Cranston and Aaron Paul

channel divisions have been integrated under Steve Mosko since 2008. CBS integrated content sales in 2012, followed by Warner Bros in 2013.

International distribution and domestic first-run (syndication) businesses provide the studios with their short-term strategy (to enhance cash-flow), while long-term results are generated by off-net syndication. For these reasons studio executives are reluctant to compare revenues, because each division has different financial peaks. For example, international revenues on a network show start to come in immediately, while the domestic division has to wait four years for the off-net income to come in. The business model for first-run is still cash plus barter with some elements of revenue sharing, in the sense that, if the show performs well above what was expected, there will be some extra income for the distributor. First-run genres are game shows, court shows, talk and tabloid news/magazine shows like *TMZ* and *ET*.

It has been said that at Fox, Mark Kaner's International TV division makes close to \$2.3 billion in sales per year. Sony Television is responsible for more than 50 percent of Sony Pictures Entertainment's profit of \$450 million. Sony's 124 channels in 159 countries generate a reported \$1.5 billion a year on their own.

Commented Disney's Ben Pyne: "Disney Channels Worldwide is a global portfolio of over 100 kid-driven, family inclusive entertainment channels and/or channel feeds available in 166 countries/territories, in 34 languages, that generate significant revenues and create brand awareness."

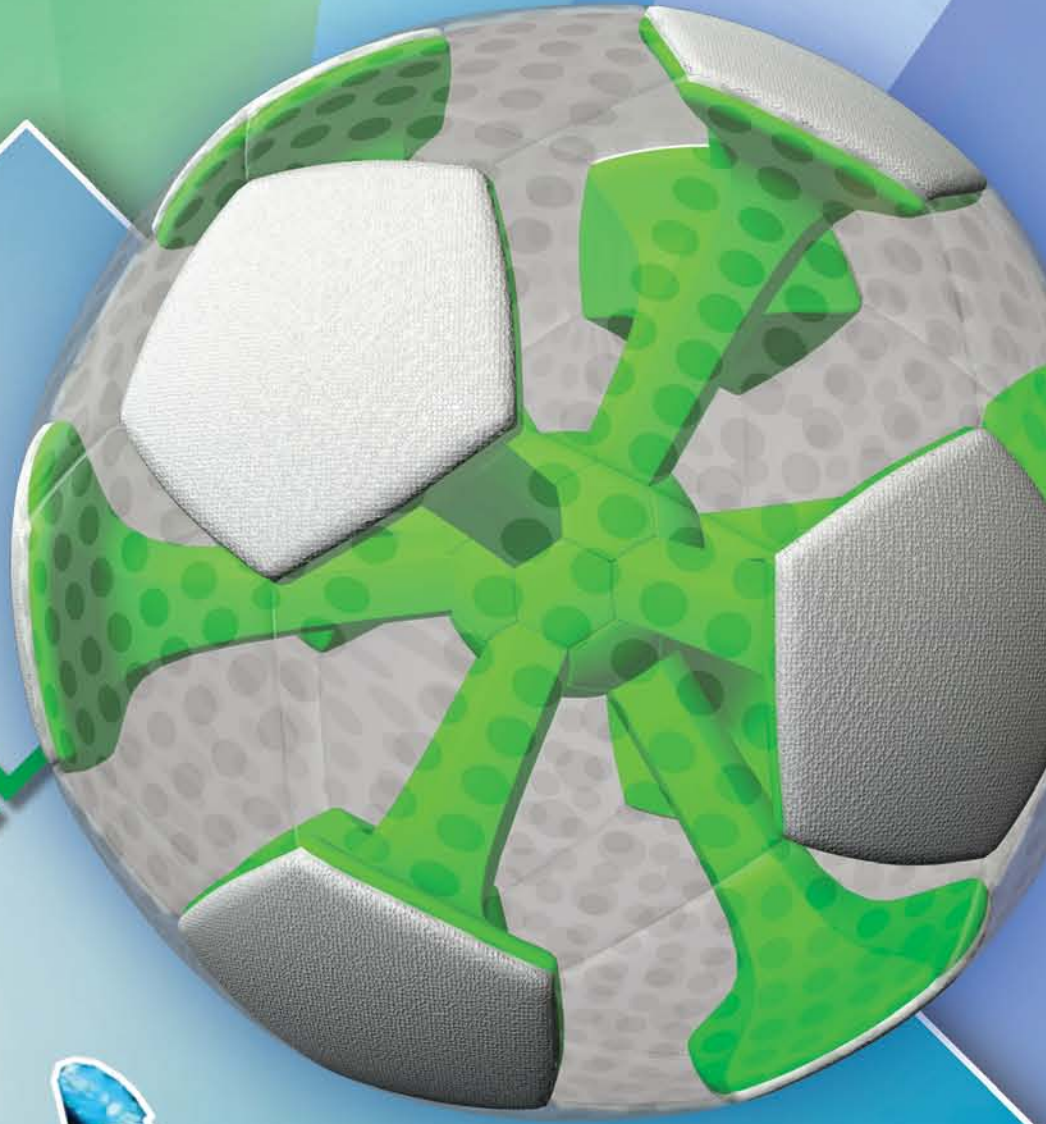
One might think that the biggest challenge for the U.S. studios would be the domestic TV business, however recent developments proved the opposite on all levels: broadcast, syndication and digital. And, if the studio also owns a network, add retrans fees to those plusses.

For the studios, the network and syndication businesses represent the engine that powers their content factories. They are also conduits for producing the high-quality content that makes lots of money internationally and allows the

(Continued on Page 58)

See us at MIPCOM stand 14.02

INSIDE FOOTBALL



A FULL SPECTRUM OF ENTERTAINMENT

 **Venevision**
INTERNATIONAL
www.venevisioninternational.com
 CISNEROS

(Continued from Page 56)



Armando Nuñez (center), president and CEO of CBS Global Distribution Group, with stars of several CBS series

U.S. networks and their local affiliates to collect retrans fees from U.S. cable, satellite and telco operators and to get an additional percentage from the affiliates' own retrans fees. The same content also generates cash from digital U.S. outlets like Amazon and Netflix.

Explained Disney's Pyne, "We have shows, like *Grey's Anatomy*, that are available on iTunes as well as our 'Hot from the US' service 24 hours after the U.S. broadcast. Some other studios do the same depending on how the show is sold to advertisers. For example, with live plus four, AC Nielsen adds the audience on the broadcast plus video on demand for four days, after which the shows go on transactional digital platforms."

Contrary to popular belief, U.S. broadcast television not only isn't dying, but it's thriving. At the end of the 2012-13 primetime TV season CBS averaged 11.9 million viewers a day, ABC 7.8 million, FOX 7.1 million and NBC seven million.

Moving on to the so-called "uncertain advertising market," at the conclusion of the Upfront sales that began in mid-May, the aforementioned four U.S. broadcast networks, plus CW, received commitments from advertisers to pre-buy anywhere from around \$8.7 billion to \$9.15 billion worth of commercial time during the 2013-14 primetime season. The Upfronts showed that U.S. broadcast television is still a good way for advertisers to get reach and frequency and that large brands can't do without broadcast television. As FOX Broadcasting's chairman of Entertainment, Kevin Reilly explained, the recent Nielsen cross-platform report stated that television consumption is up by nearly two hours on average, to 157 hours and 32 minutes per individual per month.

On the cable, satellite and telco distribution front, according to some estimates, by 2015 retrans fees to broadcasters will increase to \$4.3 billion from \$2.4 billion in 2012. Perhaps the business model will change toward streaming if cable and satellite operators drop the networks in favor of original programming a la carte. After all it is expected that viewing via digital sources will increase and potentially surpass traditional distribution. As CBS Corp.'s Les Moonves pointed out, network

television is not dying, "it's just changing...We don't care where you watch the shows."

However, even in the realm of streaming, the balls are now moving toward the networks' court. Recently, the U.S. broadcast TV networks have won the first legal round in court against companies that stream local stations on the Internet without their permission or compensation.

As for the fact that Sony Pictures does not own a U.S. broadcast network, in the view of John Weiser, president of U.S. TV Distribution, "it provides a competitive advantage, since we sell product to all buyers and maximize revenues for our producers."

Similarly, Steve Mosko, president of Sony Pictures Television, updated an earlier report: "We do programming for 16 networks. Being Switzerland in some ways is a good thing because we can be in business with everybody. What's attractive to producers, writers and actors is that they can come to us and know we're going to go out and sell it to the best possible network."

However, recently Sony Pictures Television (SPT) Networks launched getTV, a new U.S. digital broadcast television network airing movies from Hollywood's golden era. Programming primarily



Ben Pyne, president of Global Distribution at Disney Media Networks, with Sophie Lowe of *Once Upon a Time in Wonderland*

comes from the Sony Pictures library, featuring more than 3,500 films. It is the third wholly owned Sony-branded channel in the U.S., after Sony Movie Channel and Cine Sony Television. All three channels are managed by Superna Kalle, SVP, U.S. Networks, SPT. getTV is carried on the digital subchannels of Univision Television Group-owned television stations in 24 markets that account for 44 percent of all U.S. television households, representing more than 50 million homes.

Even in the highly competitive U.S. syndication business, the studios face a bright future. Indeed, for some studios, the biggest challenge is the need for more product, especially theatrical movies and TV shows.

According to SPT's John Weiser, in terms of avails, he sees a myriad of openings, since five out of six shows currently on air could have better ratings. As for time periods, Weiser sees opportunities in the 9 a.m.-2 p.m. time frame; also little product is working in access time and late night. And, as for Disney, "We have a robust first-run syndication in all day-parts," said Pyne.

Armando Nuñez, president and CEO of CBS Global Distribution Group, commented, "We are launching *The Arsenio Hall Show* so we clearly see an opportunity in late-night for original programming. Stations have told us they are looking for alternatives to off-network sitcoms, so that is something we are taking a look at. Daytime also continues to provide opportunities for talk, court and game shows, so we focus development on that daypart as well."

At the international level, "The power of U.S. TV drama is increasingly becoming dominant worldwide," explained Keith LeGoy, president of International Distribution at Sony Pictures Television. LeGoy sees growth in all aspects of the business: broadcast, pay-TV, subscription and digital, for several reasons, including the improved advertising market, more competition in the pay-TV and digital areas and the fact that U.S. TV series are now primetime material in major international markets.

Even though around the world there are TV groups equally as powerful as the U.S. studios, none are currently in a position to match the financial and economic strength of the U.S. studios' production. But, "in the near future," predicted LeGoy, "major TV players like TFI and Canal Plus will be able to commission English-language original series from U.S. studios, using the same model as the U.S. TV networks."

Conversely, Disney's Pyne doesn't "envision that in the near future large TV organizations outside the U.S. will commission pilots to pick series. After all, they have all new U.S. product available. However, if that opportunity arises, we're ready," he said.

In terms of windowless international release, LeGoy said that the biggest buyers want their American content to debut as close as possible to the U.S. release date. Therefore, he foresees a closer alignment of dates worldwide.

For CBS's Nuñez, "As a result of global demand for quality content (as evidenced by borderless social media outlets and piracy), we are offering our licensees the opportunity to program our

(Continued on Page 59)

(Continued from Page 58)



WBTVG president Jeff Schlesinger (far right) with (l. to r.) producer J.J. Abrams, actress Allison Janney, actress Anna Faris and producer Chuck Lorre

current series on a 'just after U.S. basis' more and more. The real issue with 'just after U.S.' or 'day-and-date' broadcast is balancing the challenges of local market piracy against effective promotion, proper local versioning and delivery."

Pyne said he doesn't "foresee a collapsing of windows, even though they're getting closer. We have series that are simulcast overseas with the U.S. release. For example, *Lost* was broadcast day and date with the U.S. in 64 countries. With *S.H.I.E.L.D.*, many international premiere dates occurred close to the U.S. release last month. In some cases, our shows are broadcast overseas before they air in the U.S."

This strategy has benefitted the U.S. studios in other ways as well, since it has been noted that file-sharing piracy is declining where legal alternatives are offered. Consumers tend to seek illegal sources if content is not available legally in all parts of the world as soon as it's available in the U.S.

Studio Executives Roster

Armando Nuñez, president and CEO of CBS Global Distribution Group, oversees domestic (CTD) and international (CBSSI) distribution and international TV channels. He reports to Leslie Moonves, president and CEO of CBS Corporation.

Under Nuñez at CTD are **Steven LoCascio**, EVP & CFO (CBS Global Distribution); **Joe DiSalvo**, president of Domestic Sales; **Paul Montoya**, president of Media Sales; **Marc Weinhouse**, EVP & GM, CBS Brand Studio; and **Maureen Fitzpatrick**, EVP, Programming and Development.

Under Nuñez at CBSSI are **Barry Chamberlain**, EVP, Sales; **Joe Lucas**, EVP, Sales and Marketing; and **Reed Manville**, EVP, International Channels.

Ben Pyne, president of Global Distribution at Disney Media Networks is responsible for international and domestic distribution, the ABC Television Network's Affiliate Relations and the Disney and ESPN Media Networks Affiliate Sales and Marketing.

He reports to Anne Sweeney, co-chair of Disney Media Networks and president of Disney-ABC

Television Group and Alan Bergman, president of The Walt Disney Studios. For ESPN, he reports to Sean Bratches, EVP of Sales and Marketing ESPN and ABC Sports.

Reporting to Pyne are **Janice Marinelli**, president of Disney-ABC Domestic Television (DADT) for U.S. and Canada; **Catherine Powell**, SVP/GM, Disney Media Distribution, EMEA; **Amit Malhotra**, GM, Program Distribution, Southeast Asia; **Fernando Barbosa**, SVP Sales, Disney Media Networks, Latin America; **Giovanni Mastrangelo**, GM, Disney Media Distribution, Emerging Markets; **Vitaly Lomtev**, VP, Media Distribution, Russia; **Haydn Arndt**, GM, Media Distribution, Australia & New Zealand; **Takashi Kodama**, VP, Channel Sales, Japan; **Hua Dai**, VP & MD, Disney Channels & Disney Media Distribution, Greater China; **Amrita Pandey**, SVP, International Distribution & Syndication, Motion Pictures, India.

At Fox, **Mark Kaner** is president of 20th Century Fox Television Distribution, which is under Fox Filmed Entertainment, and he reports to Jim Gianopulos. He's also responsible for worldwide pay-TV sales.

Reporting to Kaner are **Marion Edwards**, president International TV Distribution and **Gina Brogi**, EVP of Worldwide Pay Television and SVOD.

Domestic TV distribution is run by **Greg Meidel**, president of Twentieth Television, which is under 20th Century Fox Television. Meidel reports to Gary Newman and Dana Walden.

Hernan Lopez is president and CEO of FOX International Channels and reports to Peter Rice, CEO of FOX Network Group.

At NBCUniversal, Domestic Television Distribution (U.S. and Canada), is under **Ed Swindler**, who reports to Ted Harbert, chairman, NBC Broadcasting.

NBCUniversal International is under chairman **Kevin MacLellan**, who is part of NBCUniversal's Executive Committee. MacLellan's division controls distribution, global TV networks and international TV production, among others.

NBCUniversal's International Television operations are run by **Belinda Menendez**, president of International Television Distribution and Universal Networks International, and **Michael Edelstein**, president of International TV Production. In addition, Menendez reports to Peter Levinsohn, president and CDO of Universal Pictures.

Steve Mosko, president of Sony Pictures Television, is in charge of worldwide distribution, channels and production. He reports to Sony Pictures Entertainment's Michael Lynton and Amy Pascal.

Under Mosko are **Keith LeGoy**, president of International Distribution; **John Weiser**, president of U.S. Distribution; **Andrea Wong**, president of International Production; **Jamie Ehrlicht** and **Zack VanAmburg**, presidents of U.S. Production and **Andy Kaplan**, president of Worldwide Networks.

At Paramount Pictures, **Dennis Maguire** is president, Worldwide Home Media Distribution for Paramount Pictures. He is responsible for the global sales, marketing and distribution of Blu-ray, DVD, Digital, EST, VoD SVOD and TV licensing of studio content on all platforms throughout the world. He reports to vice chairman Rob Moore. **Hal Richardson** is president, Home Media Distribution, responsible for all distribution windows worldwide, except theatrical. He reports to Maguire. Maguire and Richardson are supported by **Wendy Ferren**, EVP & general manager, International and **Amy Reinhard**, EVP & general manager Domestic along with **Lisa Kramer**, SVP International TV Licensing, **Dina Vangelisti**, SVP TV Distribution for North America and **Dave Davis**, SVP, Transactional Sales.

Jeffrey R. Schlesinger is president of Warner Bros. Worldwide Television Distribution (WBTVG), which includes three units: Warner Bros. Domestic Television Distribution (WBDDT), Warner Bros. International Television Distribution (WBIDT), and Warner Bros.-branded channels around the world.

He is also responsible for Warner Bros. International Television Production (WBIP). With **Peter Roth**, president and CCO of Warner Bros. Television Group, he shares oversight of Warner Bros. Worldwide Television Marketing. Roth also has creative oversight of WBIP.

Ken Werner, president of WBDDT & Domestic Cable Distribution reports to Schlesinger.

Craig Hunegs is president, Business and Strategy, Warner Bros. Television Group, where he is responsible for setting strategy, creating growth and managing costs for Warner Bros.' television businesses and leads business development and operations, financial planning and media research for the Television Group.

Schlesinger, Roth and Hunegs all report to Kevin Tsujihara, CEO, Warner Bros. 🇺🇸

Studies and articles consulted for this report:

Theatrical Market Statistics 2012, by MPAA; TV 2010 Markets & Trends; Facts & Figures, by IDATE; Recent Trends in U.S. Services Trade 2011 Annual Report, by U.S. International Trade Commission; Long-Lived Television Programs as Capital Assets, by Rachel Soloveichik; Audio Visual Market Guide (ISE 2013), by U.S. Department of Commerce; Forecasting is Hollywood's "Ultimates" Game, by VideoAge; TV Critics Press Tour Report by VideoAge; B&C Report on Mark Kaner; FT on 21st Century Fox; *Herald Tribune* about Sony Television.

**Jean Cazés to the VAT Rescue**

Indeed, TV executives never disappear, only reappear under a different semblance. Consider the case of veteran French TV exec Jean Cazés, whom many people remember first as sales manager at A2, then as an accomplished film producer and distributor and finally as an Internet pioneer.

Recently, he took his extensive knowledge about trade shows to another level as head of Taxeo, a Paris-based value-added tax (VAT) recovery firm.

Business travelers in Europe are entitled to reclaim tax spent on hotels, car rentals, restaurants, etc., however, as MIPCOM goes know, VAT recovery is complicated since it can vary anywhere from 15 to 25 percent. Plus, for U.S. companies, the European tax authorities require original invoices, while European companies can submit electronic invoices. Perhaps, since Cazés (still with his traditional flock of hair, if only graying) is familiar with exhibition tax-related charges, he can streamline the procedure for all of us.

**JORNADAS INTERNACIONALES
SEPTEMBER 25-27**

Buenos Aires, Argentina
Tel: (54 11) 4354 5074
Fax: (54 11) 4343 1716
www.atvc.org.ar

VideoAge bonus distribution

**MIPCOM
OCTOBER 7-10**

Cannes, France
Tel: (212) 370-7470
Fax: (212) 370-7471
www.mipcom.com

VideoAge bonus distribution

TOKYO INTERNATIONAL FILM FESTIVAL

OCTOBER 10-17
Tokyo, Japan
Tel: (81 3) 3268 5204
Fax: (81 3) 3268 5235
www.tiff-jp.net

**SPORTELMONACO
OCTOBER 14-17**

Monaco, Monte-Carlo
Tel: (377) 9330 2032
Fax: (377) 9330 2033
www.sportelmonaco.com

VideoAge bonus distribution

**DISCOP AFRICA
NOVEMBER 6-8**

Johannesburg, South Africa
Tel: (33 1) 4229 3224
Fax: (33 1) 4229 3474
www.discopafrika.com

**AFM
NOVEMBER 6-13**

Santa Monica, CA, U.S.
Tel: (310) 446-1000
Fax: (310) 446-1600
www.americanfilmmarket.com
VideoAge bonus distribution

**EUTELSAT TV AWARDS
NOVEMBER 15**

Venice, Italy
Tel: (33 1) 5398 3791
Tel: (33 1) 5398 3700
www.eutelsattvawards.com

**GERMAN SCREENINGS
DECEMBER 1-4**

Vienna, Austria
Tel: (49 89) 55876 108
Fax: (49 89) 55876 188
www.german-screenings.de

**ASIA TV FORUM
DECEMBER 3-6**

Singapore, Republic of Singapore
Tel: (65) 6780 4697
Fax: (65) 6588 3798
www.asiatvforum.com
VideoAge bonus distribution

**SUNDANCE
JANUARY 16-26, 2014**

Park City, Utah, U.S.
Tel: (310) 360-1981
Fax: (310) 360-1969
www.sundance.org

**NATPE
JANUARY 27-29, 2014**

Miami Beach, Florida, U.S.
Tel: (310) 453-4440
Fax: (310) 453-5258
www.natpe.org



If, for your advertising investment, you want: A TV trade publication about the international content business... a magazine that previews and reviews TV-Film trade shows... that features articles about withholding taxes, residuals, piracy, collapsing windows, license fees... that voices challenges facing buyers and sellers alike... For these reasons and more, you definitely want **VideoAge**. The only TV trade publication 100 percent devoted to the business of buying and selling content.





Asia's
Entertainment
Content Market

atf

ASIA TV FORUM & MARKET
in association with mipcv and mipcom
Asia's entertainment content market

3 - 6
Dec
2013

Marina Bay
Sands,
Singapore

It's
Where
You Need
To Be

3 Dec
Pre-market conference.

4 - 6 Dec
Market.
Conferences.
Master-classes.
Networking Events.

Asia TV Forum & Market (ATF), Asia's leading entertainment content market, gives you the floor - to buy, sell, finance, distribute and co-produce, across all platforms.

It's where the best minds and best ideas meet, where the future of Asian television is shaped.

It's where you need to be.

**Visit us at
MIPCOM stand 16.09**

T: +65 6780 4513
E: atf@reedexpo.com.sg
www.asiatvforum.com



Held in conjunction with



Produced by



Supported by



In association with



Held in



My 2¢

Why ad-skipping technology can ultimately cost the television consumer more money.



Recently, a U.S. federal court ruled in favor of TV ad-skipping services. This is unfortunate not only for the television industry, but also for consumers. Indeed, if there is a way to release stress and relieve depression, rather than using DVRs, PVRs, the Hopper, TiVo or other similar TV broadcast-killing hardware to skip commercials, viewers should set up the devices to skip TV programs and record commercials instead.

Nowadays TV shows — including sitcoms, news and documentaries — are a source of aggravation, causing anxiety and frustration. To the contrary, a good dose of happy-go-lucky TV spots will restore confidence, security and pleasantry.

Just imagine how uplifted you'd feel after watching McDonald's *He's Happy* TV ad, compared to a breaking news story: "Russia's U.N. ambassador said that Russian experts determined that Syrian rebels made sarin nerve gas and used it in a deadly attack outside Aleppo." Or how euphoric one might become after watching FIAT's *Boob Job* ad, versus being saddened by WorldVision's documentary, *The Tragedy of Child Labor* about child slavery in India? What about the fulfilling Annie's Song commercial by Values.com versus the gory scenes of the series *Masters of Horrors*?

According to a study published in the August 2009 issue of the *Journal of Consumer Research*, commercial interruptions often enhance enjoyment of television, at least for younger viewers. The three authors of the study (professors from Berkeley, New York University and Carnegie Mellon), entitled "Enhancing Television-Viewing Experience Through Commercial Interruptions," wrote: "Consumers prefer to watch television programs without commercials. Yet, commercial interruptions can actually improve the television-viewing experience. Consumers' enjoyment diminishes over time. Commercial interruptions can disrupt this adaptation process and restore the intensity of consumers' enjoyment. Studies demonstrate that, although people preferred to avoid commercial interruptions, these interruptions actually made programs more enjoyable regardless of the quality of the commercial."

Then, if the federal judges feel more pedestrian than academic, they could always check the popularity of the TV ads during the Super Bowl (the championship game of American football), the year's most watched U.S. TV broadcast with over 110 million viewers. During the 4.5 hours of broadcast, some 70 commercials are shown to

an enthusiastic audience, with advertisers paying on average \$3.5 million for a 30-second spot. This is because Super Bowl advertisements have also become a cultural phenomenon; many viewers only watch the game to see the commercials, while national surveys (from major media outlets such as *USA Today*) judge which advertisement carried the best viewer response.

Now back to the court ruling that pitted FOX against Dish's Hopper. Gene Kimmelman, a former senior antitrust official at the Justice Department, is quoted as saying: "This is another indication of the slow erosion of a dominant media company's control over distribution of content. That control is slowly being handed over to the consumer."

Similarly, ruling Judge Sidney Thomas determined that consumers were free to do anything they want with their recordings of FOX programs, as long as they don't resell the content. The judge also added: "FOX owns the copyrights to the television programs, not to the ads aired in the commercial breaks."

Now, I have several issues with both statements and concerns for the future of FTA, the erosion of viewers' rights and increasing costs to consumers.

On the legal side, I think copyrights on the ads are partly extended to the broadcast TV outlet since they're also responsible for their content.

On the economic side, if the FTA gets reduced ad revenues, broadcasters will have to raise retrans fees to cable and satellite services, which, in turn, will increase consumers' subscription costs. Not only that; high-quality programs will migrate to premium services, leaving the FTA with low-brow shows.

Finally, to justify ad-skipping technology, Judge Thomas cited the 1984 Supreme Court ruling that made VCRs legal. However, in that case VCRs created an industry (home video), while it looks like the Hopper will destroy an industry. Big difference!

Dom Serafini

Consumers prefer to watch television programs without commercials. Yet, commercial interruptions can actually improve the television-viewing experience.





Together, we're swimming in business deals.

NATPE breaks free from the barriers separating traditional and digital media.

Uniquely positioned to connect the entire video content ecosystem, NATPE creates the environment to network, exchange ideas and get deals done. Make a splash.

No barriers. New business.

Register now at natpe.com and use promo code **N14VAI** to save!

CONNIE BRITTON

HAYDEN PANETTIERE

NASHVILLE



LIONSGATE[®]
VISIT US AT BOOTH RB.40